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JOB TRAINING PARTNERSHIP ACT AND OLDER WORKERS

HEARING

BEFORE THE

SUBCOMMITTEE ON AGING

OF THE

COMMITTEE ON LABOR AND HUMAN RESOURCES UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

EXAMINING THE 3-PERCENT SET-ASIDE TO SERVE OLDER INDIVIDUALS UNDER THE JOB TRAINING PARTNERSHIP ACT

FEBRUARY 5, 1986

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JOB TRAINING PARTNERSHIP ACT AND OLDER WORKERS

WEDNESDAY, FEBRUARY 5, 1986

U.S. SENATE,
SUBCOMMITTEE ON AGING,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 a.m., in room 430 of the Dirksen Senate Office Building, Senator Charles E. Grassley (chairman of the subcommittee) presiding.

Present: Senators Grassley and Matsunaga.

OPENING STATEMENT OF SENATOR GRASSLEY

Senator GRASSLEY. I will call the meeting to order.

I welcome everyone today, our witnesses and guests, and I want to thank everybody for their kind participation, particularly those people who are testifying.

Today's hearing is entitled "Serving Older Americans Under the Job Training Partnership Act."

The main focus of today's hearing will be on the 3-percent Set-Aside Program, since that is the focus for serving older Americans under the act.

Section 124 of title II–A requires each State to set aside 3 percent of its title II–A allocation to fund training programs for economically disadvantaged adults aged 55 and over.

In addition to the special set-aside, older workers are eligible under other parts of the act. Title II–A, the largest of the act's program areas, is targeted to economically disadvantaged persons, which includes a sizable population of older people.

In addition, up to 10 percent of those served by title II–A programs need not be economically disadvantaged if they have encountered other barriers to employment.

Older individuals are specifically named as a group that has encountered such barriers. Title III, which provides funds for retraining, job placement, and other services for dislocated workers, specifically includes older workers who may have substantial barriers to employment by reason of age. This is of importance to displaced older workers, since they are, on the whole, less successful than younger workers in finding jobs after displacement has occurred.

Older workers are also specifically covered under title IV, which authorizes federally administered programs that require technical expertise available at the national level and that serve the specialized needs of particular client populations.

The act provides a wide variety of services to older individuals, including job search assistance, job counseling, remedial education and basic skills training, on-the-job training, institutional skill training, vocational exploration, upgrading and retraining, and customized training.

The Job Training Partnership Act has helped to open up a wide range of employment opportunities in the private sector to older individuals. Graduates of the JTPA programs have found jobs as bank tellers, nurse aides, sales clerks, and I suppose you could go on and name many older people that would be getting into particular jobs, that would not otherwise be there without the help of this act.

In addition to the act, training and work experience is provided to older Americans through title V of the Older Americans' Act, the Senior Community Service Employment Program, and we have had hearings in this subcommittee on that program. Although they share the same goal, increasing the participation of older Americans in the workplace, the Job Training Partnership Act and title V differ in several respects.

The primary thrust of the Job Training Partnership Act is job creation in the private sector, while the emphasis of title V is to place eligible seniors in community service jobs.

The Job Training Partnership Act funds are directed toward job training, whereas title V funds are spent largely on salaries and wages for older workers.

Another difference is that States have a major management responsibility for the Job Training Partnership Act while the Federal Government, through the Department of Labor, is responsible for the overall management of the Title V Program.

Overall, I believe that the Job Training Partnership Act and title V complement each other to the benefit of older individuals seeking improved job skills and employment.

It is possible to offer a wide range of services to older individuals and to tailor programs to meet their unique needs through the coordination of services offered under title V, the 3-percent set-aside, and the other parts of the Job Training Partnership Act.

The purpose of this hearing, stated very broadly, is to examine job training opportunities currently available to older Americans under the Job Training Partnership Act and to begin to look at how the delivery of those services might be improved.

I believe that we have assembled a group of people today who are well qualified to help us make an assessment of job training services to older Americans offered through the Job Training Partnership Act.

The subcommittee will hear from Dr. Brent Johnson, secretary of the Maryland Department of Employment and Training, representing the National Governor's Association; Dr. Steve Sandell, Director, the Project on National Employment Policy and Older Americans at the National Commission for Employment Policy; Wilda Ferguson, commissioner of the Virginia Department of Aging and president of the National Association of State Units on Aging. We have had that organization testify many times before this committee as well. Esther Schaeffer, vice president of Policy at the National Alliance of Business; John Kiley, director of the Job Training

Partnership Program in my State of Iowa; and Mr. Alec Olson, administration of the Green Thumb Program, and we have also had that organization before this subcommittee many times, particularly in relationship to title V programs; Mr. William Massey, executive director of the Peninsula Agency on Aging on behalf of the National Association of Area Agencies on Aging; and Kathy Lewis, director of the Project Grow, a program of the Regional Council on Aging in Rochester, NY.

In addition, I believe that Senator Quayle plans to submit written testimony for the record at a later date, and I also have testimony here that I will place in the record at this point from Senator Hawkins of the State of Florida, and I want to acknowledge her attention to the work of this subcommittee.

She has been very faithful in that effort. And I would also like to note for the record that we did invite the Department of Labor to testify, but they declined that offer.

[The statements of Senators Quayle and Hawkins follow:]

STATEMENT BY SENATOR DAN QUAYLE
BEFORE THE SUBCOMMITTEE ON AGING
OVERSIGHT HEARING ON OLDER WORKER PARTICIPATION
IN EMPLOYMENT AND TRAINING PROGRAMS

February 5, 1986

I commend Senator Grassley for chairing this hearing to examine the participation of older workers in the Community Services Employment Program which is Title V of the Older Americans Act and the three percent setaside under the Job Training Partnership Act. I regret that other commitments prevented me from attending this hearing but I look forward to reviewing the findings of the Subcommittee on Aging.

This hearing is particularly timely because I am introducing amendments to the Job Training Partnership Act (JTPA) based on oversight findings of the Subcommittee on Employment and Productivity, which I chair. In 1984, my Subcommittee conducted five regional hearings around the country and, in 1985, I conducted a case study of JTPA operations in Indiana. The individuals who took part in the oversight represented the broad range of perspectives involved in setting JTPA policy and in program operations at the Federal, State, and local levels, including older worker programs.

I am pleased to be able to report that the results of that oversight indicate that the program is firmly established and that there is strong support for the partnership and the training emphasis.

However, testimony also indicated concerns about the need for better coordination between the Community Services Employment Program and the three percent setaside under JTPA. As a result of those concerns, I am proposing to make the eligibility for the JTPA Older Worker program the same as for the Community Services Employment Program.

I hope testimony will help us determine whether older workers are receiving a fair portion of services under JTPA. In addition to the older worker program, senior citizens may participate in the basic program for the economically disadvantaged (Title II-A) and the Dislocated Worker program (Title III), if they meet the eligibility criteria.

Another area of concern stems from reports received by the Subcommittee on Employment and Productivity that indicate a slow start up of JTPA Older Worker programs.

As we examine possible amendments to JTPA that perfect or clarify the Act's provisions, the results of this hearing focusing exclusively on the participation of older workers will be particularly valuable. We look forward to learning the results of this oversight and working with the Subcommittee on Aging to provide effective services to older Americans.

Paula Hawkins

Statement of Senator Paula Hawkins Before the Senate Subcommittee on Aging, February 5, 1986.

Mr. Chairman, I want to take this opportunity to speak on behalf of our Nation's older Americans. As a representative of the State with the fastest growing elderly population, I am concerned because the elderly face special barriers to employment. They should not be forced to compete with others who may also seek needed assistance. I was pleased to support the amendment to the Job Training Partnership Act (JTPA) which earmarked 3 percent of a State's discretionary funds to be spent exclusively on the elderly.

Florida is now the State with the largest percentage of aged individuals. I have found our older Americans to represent a vast natural resource of experience and expertise. One of my own staff has told me about his mother, a former waitress who retired at age 67. Now aged 74, she volunteers to drive older people on errands, to church, or to the grocery. Our elderly have energy and a willingness to contribute even though they have reached the age of 55, or beyond. We must be certain that JTPA is helping to reduce barriers to their employment.

My elderly Florida constituents are amazing. They are not content to sit on park benches. They are an active moving force

in Florida. Are they ever active! I do not believe there is another U.S. Senator who gets more calls, letters and visitors from senior citizens than I do. They prove that the majority of our elderly continue to lead active, productive lives. Their wisdom is a gift of age that we cannot buy. We must not squander that gift. Studies show older workers to be extremely reliable and productive. Still, they face continued frustration in the job market.

Elderly constituents have reported to me about their renewed feeling of worth when they find employment. I am concerned, however, that we are not doing enough for our senior citizens. A January 1985 report by Westat, Inc., prepared for the Employment and Training Administration, U.S. Department of Labor, indicates that one-third (1/3) of the population which is eligible for participation in JTPA programs is aged 55 or older. Yet, according to the report, only 4.1 percent of program participants are older workers. The 3 percent set aside merely represents a minimum level of participation. It must not discourage participation of older workers from other aspects of JTPA.

Older citizens are underrepresented among JTPA participants. I believe it is important that this Subcommittee is looking into the effectiveness of JTPA in addressing the needs of older Americans.

Senator GRASSLEY. Now we have the first panel of Dr. Johnson and Dr. Sandell before us already. I welcome you.

Before you testify, I would like to emphasize that your statement will be placed in the record. My staff has asked you to summarize in 5 minutes, and I guess I have learned something from other committees I serve on, and that is, if you do not enforce that 5-minute rule, by the time you get to the end everybody is so tired, that the last few participants and panels do not feel like they are really a part of the hearing process. I owe them the courtesy of participating as much as I do those of you who go first.

So, just in case those of you who are sitting in the back waiting to testify, have not made an attempt to summarize, you can use this period of time, during the first panel, to do that, so that we can concentrate on some questions that I have for each panel.

So, Dr. Johnson, I think you were the first one I mentioned, so why don't you start out. Thank you very much.

STATEMENTS OF DR. BRENT JOHNSON, SECRETARY OF THE DEPARTMENT OF EMPLOYMENT AND TRAINING, BALTIMORE, MD, REPRESENTING THE NATIONAL GOVERNOR'S ASSOCIATION; DR. STEVEN SANDELL, DIRECTOR, PROJECT ON NATIONAL EMPLOYMENT POLICY AND OLDER AMERICANS, NATIONAL COMMISSION FOR EMPLOYMENT POLICY

Dr. JOHNSON. Thank you, Mr. Chairman. I am Brent Johnson, secretary of the department of employment and training for Maryland, and I testify a lot in Maryland before the State legislature, and I can assure you, sir, that I am always briefed, because I found out you do not get the money if you are not quick.

You do have a copy of the statement. I guess, really, the reason I am——

Senator GRASSLEY. That was probably before Gramm-Rudman, though.

Dr. JOHNSON. I will not get into that today.

Senator GRASSLEY. OK.

Dr. JOHNSON. You do have a copy of the statement. I guess the reason I am down here is because the National Governor's Association, with the staff of Fernando Allegri, and a couple of other people, put together a report on what is happening with this 3-percent money under the JTPA.

The reason they did that—and they surveyed States to do it—is because under the reporting requirements of DOL, this information was not broken out, so that basically, nobody knew what was happening with the 3-percent set-aside money under the Job Training Partnership Act, and about 35 States responded, and what I'll be summarizing in a couple of minutes is basically what happened in that report.

About $55 million is spent, nationally, under the set-aside, under the 3 percent, out of the title II–A money. So the scope of the program we are talking about is about $55 million.

Maryland, as an example, gets about $600,000 it is required to spend on older workers. The report indicated about 16,200 people were served, which, in my opinion, is a relatively small number of

people, and basically, the money was underspent, and it was underspent, I guess for a couple of reasons.

One is that the income eligibility requirement on the disadvantaged side was a problem in that in some States, Social Security income was not excluded, and was included.

Now, the NGA is not making a recommendation to this committee relative to whether or not that should be excluded, but I think, looking at it from a logical standpoint, that Social Security income should be excluded, as a matter of income eligibility. Also, there is a 10-percent window for all of the other money under the JTPA, except for the 3-percent older worker money, and the recommendation would be that there be a 10-percent window, so that at least some people who are marginally over the income eligibility could be served.

I guess another reason why the program did not take off as quickly as it should have, or could have, is the fact that when you have got a large program like JPTA starting up, the fact that you have a 3-percent set-aside is not necessarily going to get a high priority, and in a lot of States, you have got offices on aging that are strong. In those States, I guess those offices got the money and they moved right in.

In other States, where there was coordination problems, that did not occur. About a fifth of the States use the State unit on aging offices.

I guess, philosophically, looking at it from what we have seen in Maryland, I just have a couple of points. One is that from a societal standpoint, I believe that probably a tremendous amount of money should not be set aside to train older people to work.

Certain people do have to work, and 55 years old, that is fine; but when I see a person in a restaurant, 65, or 68 years old, waiting on tables, I have a real question about why that person is there doing that kind of a job at that age. Obviously, if people want to work and they are physically healthy, and they are older, they ought to be able to have that opportunity, but if they are going to work in physically demanding jobs, I would question how long people can do that.

We are trying a little program in Maryland with McDonald's Restaurants. Evidently, McDonald's wants to get some people back into the labor force that are older, dependable, and that is fine, but once again, I am going to take a real careful look at what we are doing with that, to make sure that they are not trying to attract people that are really dependable, and that they will pay a low wage to.

And I guess that I will close it off, Senator, and I appreciate the opportunity to be here today, and I will be happy to respond to any questions you might have.

[The prepared statement of Dr. Johnson follows:]

National Governors' Association

Lamar Alexander
Governor of Tennessee
Chairman

Raymond C. Scheppach
Executive Director

STATEMENT OF

BRENT JOHNSON, SECRETARY

DEPARTMENT OF EMPLOYMENT AND TRAINING

STATE OF MARYLAND

ON BEHALF OF

THE NATIONAL GOVERNORS' ASSOCIATION

before the

SUBCOMMITTEE ON AGING

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

ON

JTPA THREE PERCENT SET-ASIDE

February 5, 1986

HALL OF THE STATES · 444 North Capitol Street · Washington, D.C. 20001-1572 · (202) 624-5300

Good morning, my name is Brent Johnson, Ph.D. As Secretary of the Maryland Department of Employment and Training, I have a significant interest in programs authorized under the Job Training Partnership Act. I am pleased to testify on behalf of the National Governors' Association regarding the states' implementation of the three percent set-aside to serve older individuals under the Job Training Partnership Act (JTPA). My remarks this morning are based on a preliminary analysis of information obtained from 35 states through a mail survey conducted by the NGA in November and December of last year. The data cover Program Year (PY) 1984, that is, the period July 1, 1984 through June 30, 1985. A complete report on this survey, which also covered other aspects of state administration including Title III and the eight percent education set-aside, will be issued toward the end of February. The survey data is supplemented by information obtained by NGA through informal phone interviews with 17 states and data provided by states in a late 1983 mail survey.

To date, little information has been available on who is served, how they are being served, and to what benefit under the three percent set-aside program. There are several reasons for this lack of information. First, federal reporting on participant characteristics for the JTPA set-asides has not been required. Second, federally-required financial reporting on the set-asides is aggregated so that separate analysis of the

different programs is not possible. Third, process evaluations and the Job Training Longitudinal Survey (JTLS) which provide the only source of program information have not covered the set-aside programs. The U.S. Department of Labor's proposed reporting changes that include separate reporting on this set-aside would, of course, remedy this situation in the future.

Recruitment and Characteristics of Individuals Being Served

Within the states studied, 16,229 individuals were served during PY 1984. Preliminary analysis of the characteristics of program terminees in the 31 states who were able to provide NGA with information on characteristics and program participation suggests that the population served under the older workers program is quite different from the population served under other parts of JTPA. To begin with, more than 90 percent of the terminees who entered employment were between 55 and 64 years of age at the time of enrollment; the remainder were over 65. Age data, of course, reflect the eligibility criteria contained in the legislation. Moreover, the data also suggest that proportionally more women[1] but fewer public assistance recipients[2] were being served under this program. Minority participation appears to be comparable to that under Title III, but less than that under Title IIA[3]. Also, terminees were considerably less well educated than those served under these other parts of JTPA. While 4 in every 10 of 3 percent program terminees who entered employment had less than a high school diploma, only one quarter of adults under Title IIA and one fifth of those under Title III had not completed high school.[4]

To a certain extent the environment in which the program operates is reflected in the characteristics of those individuals who are served by the 3 percent program and is a contributing factor to the recruitment problems faced by the system. States report that individuals over 62 years of age who receive social security are reluctant to participate because they fear that the income they earn in a job will reduce their social security payments. Thus, the vast majority of those served are under 62 years of age.

Some states have reported problems in recruiting individuals who meet the program's income eligibility criteria. There are several reasons for this situation. Most states count social security benefits as income for purposes of JTPA income eligibility determination. To overcome this obstacle, at least 7 states have begun excluding social security income and some consider older individuals as "a family of one" in making eligibility determinations. Many income eligible older individuals live in rural areas in which recruitment and service delivery is more difficult to accomplish. Further, the Title V Older Americans Act program offers opportunities for community work experience and supportive services to individuals with incomes below 125 percent of the lower living standard. The JTPA program limits eligibility to those older individuals with income below 70 percent of the lower living standard. Given these problems, it has been suggested that eligibility for the two programs be made consistent. Alternatively, the "10 percent window" of eligibility might be extended to the 3 percent program to enable states to increase participation in the program.

Services Being Provided

Information on program activity suggests two important differences between the service configuration of the 3 percent and Title IIA programs. In contrast to the Title IIA program in which about one-fourth of the terminees received job search assistance, over one-half of the 3 percent program terminees participated in this component. Three-fourths of the 3 percent program terminees received pre-employment services and close to 20 percent of these were directly placed in jobs. The heavy activity in counseling and labor exchange type components in the 3 percent program reflects the fact that many older individuals have marketable skills and have, throughout their lifetimes, had a great deal of experience working. Such people can often be placed with the help of a little encouragement and relatively short term and low cost interventions.

Work experience is used in conjunction with the above activities to give older unemployed individuals the self-confidence to compete again successfully with younger workers in the labor market. Thus, despite the fact that very little money under JTPA is available for work experience because of cost limitations, approximately 10 percent of the terminees in the 3 percent program participated in contrast to only 4 percent of adult Title IIA terminees.[5] Since work experience is a major activity under the Title V Older Americans Act program, it is likely that at least some of the work experience under JTPA was provided in conjunction with the Title V program.

For the most part, those entering the 3 percent program are often not interested in classroom training. Yet, given the relatively low educational attainment of many of the individuals served, it is clear that many would benefit from educational services. In fact, approximately one-fifth of the terminees in the states from which data was obtained did receive some form of educational service such as remedial English instruction, English as a second language and preparation for the GED. One-fifth of the terminees received vocational training. Approximately 17 percent participated in on-the-job training; this is considerably below the 26 percent OJT participation of adults in Title IIA programs. The data reflect comments by state administrators that they have trouble developing OJT slots for older individuals because of the negative attitudes held by some employers regarding the hiring of older workers.

Supportive services such as transportation and health services are an important aspect of programs to serve older individuals. The need for supportive services such as transportation is particularly acute in rural areas where many eligible older individuals live.

Little data is available on participant outcomes under the program because of the previously stated reporting situation and the fact that only 9 of the 31 states responding to the survey indicated that they have imposed performance standards on the 3 percent program. Nevertheless, in the states responding to the NGA survey, performance of the 3 percent program in terms of

the rate of those who entered unsubsidized employment (55%) was virtually the same as that for adults in the Title IIA program. The average hourly rate at placement, however, was only $3.95 compared to $4.74 per hour for Title IIA terminees 55 and over. The lower wage undoubtedly reflects the lower educational attainment level of the 3 percent participants.

Organizational Arrangements

NGA also obtained information on the interagency and organizational arrangements made at the state level for administering the 3 percent program. Approximately three-fourths of the states participating in the study administered the 3 percent program through the same state employment and training unit responsible for the basic Title IIA program. The same proportion of states involved local Service Delivery Areas (SDAs) and Private Industry Councils (PICs) in policy formulation.

At the same time, State Units on Aging (SUA) played a significant role in about the same number of states. The SUA's role ranged from actually being delegated responsibility for administering the program in one-fifth of the states to coordination and advisory functions in the others. Although only minimal changes in state program responsibility are planned for Program Year 1985, the importance of SUAs seems to be increasing as states attempt to deal with recruitment and other problems. SUAs are seen by many state JTPA agencies as a valuable resource for assessing the needs of older individuals and for determining how to serve them.

NGA's survey did not address the extent to which national contractors administering the Title V Older Americans program are involved in the 3 percent program. Since almost 80 percent of the funds under that program flow through these organizations, it would seem to make sense for the Department of Labor to actively encourage such coordination.

Substate Distribution of Resources, Contracting, and Expenditure of Funds

States have used a combination of resource allocation strategies to distribute the three percent funds. The use of RFPs seems to have decreased and then increased over the last two years. In PY 1984, 12 of the 15 states using RFPs distributed all the 3 percent resources through this method. Another 5 states planned to issue RFPs in PY 1985 for all or some part of the resources available. The most important considerations in awarding contracts through these RFPs have been the quality of the training proposed and the experience of the proposed contractor.

The use of some form of needs-based substate allocation formula has remained rather steady since 1983. One-fifth of the states responding distributed all of the 3 percent funds through such a formula and another 2 states distributed 75 percent to 80 percent of their resources in this way. While three states used the Title IIA formula, the remainder distributed the money based on a combination of Census, unemployment, state planning and other data available at the state level. For example, one state targeted resources based on the number of those individuals 55 or older below the poverty level. Another used data on Medicaid enrollments of those 55 and older.

Although performance-based contracting is reported to be used extensively at the local level in contracting for services under the basic Title IIA program, it does not seem to be used extensively in the three percent set-aside program. Only one in every five states used such a contracting method and even in these states its use varied from minimal coverage to being the only contracting method used.

States have experimented with different funding approaches and ways of better accessing the older worker community to accelerate program participation and overcome initial problems in program implementation.

The prolonged up front selection process associated with RFPs undoubtedly builds lag time into expenditure rates. On the other hand, states that have allocated the 3 percent funds to SDAs cite initial concern with start up of the Title IIA program and the low priority given the program at the national level as reasons for the slower expenditure of funds locally. To compensate for this, some states are beginning to emphasize the importance of the program in their own communications with SDAs. The heightened state attention is expected to improve the situation suggested by aggregate federal financial reports that indicate that there is a national underexpenditure of the state set-aside as a whole.

Summary Remarks

In conclusion, let me reiterate that the program is serving a significantly different population, with a somewhat different mix of services, than the rest of the JTPA system. Although there have been problems in recruitment and program build up, states seem to be developing stronger relationships between the private sector community represented through JTPA Private Industry Councils and State Job Training Coordinating Councils and the older worker community which has expertise in serving the needs of this important group of job seekers. This collaboration should enhance state and local recruitment and service delivery efforts. From the experience of the states to date, it is apparent that the role of the Governors in coordinating the JTPA 3 percent and Title V programs is very important and essential if the 3 percent program is to adequately serve the multiple needs of older individuals. As states overcome more of the administrative and operational impediments, this program will prove to be an important, even if small, component of the overall JTPA system.

We appreciate the opportunity to have been able to report on the National Governors' Association's study. I would be pleased to answer any questions you might have on its findings, but first, I would like to take a few moments to share with you our experience in the State of Maryland.

END NOTES

1 58% of 3% program terminees who entered employment: 51% of Title IIA adult terminees who entered employment.

2 10% of terminees who entered employment under the 3% program: 40% of comparable adults under the Title IIA program.

3 30% of 3% program terminees who entered employment: 40% of comparable Title IIA adult terminees: 30% of Title III terminees.

4 Summary of JTLS Data for JTPA Title IIA Enrollments and Terminations During Program Year 1984 (July 1984-June 1985), U.S. Department of Labor, November, 1985.

5 IBID.

Senator GRASSLEY. I think we will go to you, Dr. Sandell, and then I will ask questions of both of you, simultaneously.

Dr. SANDELL. Thank you, Mr. Chairman. I am Dr. Steven Sandell, an economist on the staff of the National Commission for Employment Policy and director of the Commission's project on national employment policy and older Americans.

The Commission is authorized under the Job Training Partnership Act and is an independent Federal Government agency charged wth advising the President and the Congress in the area of employment and training policy.

Thank you for the opportunity to testify today. The Commission has recently completed a 2-year examination of the employment situation of older Americans and employment policies that affect them.

With support from the Employment and Training Administration of the Department of Labor, we sponsored 15 research studies, which are summarized and attached to my testimony.

"Older Workers: Prospects, Problems and Policies," the Commission's ninth annual report, presents the Commission's recommendations and findings. It is being printed and will be sent to you as soon as it becomes available.

The Job Training Partnership Act and the Senior Community Service Employment Program, and my testimony, focus on older people who are willing and able to work. While there is a large group of persons over 55 living in poverty, and thus eligible for JTPA, many of them neither work nor are interested in working.

Thus, they may not be interested in training programs. In fact, the poor population over 55 is dominated by nonworkers, especially unmarried women over the age of 65. According to the job training longitudinal survey, persons 55 and older were 3 percent of total participants and 5 percent of the adult participants in title II-A programs which are for income-disadvantaged workers under JPTA, and this is in program year 1964.

While persons 55 and older were about 2 percent of the enrollees in classroom training and in on-the-job training programs, they were 1 percent of the enrollees in work experience programs, but, they were 5 percent of enrollees in job search assistance programs.

The entered employment rate for persons 55 and older was 70 percent for program year 1984, and this is similar to the rate for all adults, and above the 64-percent rate for title II-A terminees as a whole.

Of the almost 75,000 enrollees in JTPA title III for displaced workers, in the period July 1984 to March 1985, 21 percent were 45 and older, and this compares to 36 percent of displaced workers as defined by the Bureau of Labor Statistics who are 45 and older. Because JTPA is relatively new, detailed analyses are not yet available. To interpret the data on participation of older workers, we must turn to the CETA experience.

Two key issues dominate analysis of government-sponsored job training for older workers. Is the training useful? Do older workers receive a fair share of the available training slots?

Job training for participating older workers appears to have been successful under CETA, although relatively few people, especially

older people, were served. The participants' earnings and employment increased.

Comparing post-program employment and earnings of participants with the employment and earnings of otherwise similar nonparticipants, implies that participation in CETA led to an increase of 4.5 weeks of employment, and a 20-percent increase in the employment rate.

In short, the program worked for persons 45 and over, who were participating. These findings bode well for the potential success of training programs administered under the Job Training Partnership Act. Many JTPA operators are currently having difficulty recruiting older persons. This is not surprising, given that our study found that older persons were less likely to participate than younger adults in CETA. Only 23,000 persons over the age of 55, about one-half percent of those eligible, received CETA training in 1980.

It is extremely important to understand why eligible older persons are unlikely to participate in Government training programs.

Although available data do not permit an exhaustive study of age discrimination, it is clear that factors other than age are important.

About one-third of the difference in participation rates for those 45 and older and those 22 to 44 can be explained by characteristics of the two groups, other than age.

Labor force participation, family income, and health status affect participation in training programs. These factors, which differ systematically with age, account for much of the difference in participation.

The stronger the labor force attachment of eligible individuals, the more likely they were to participate in training. This finding implies that as people age, and retirement becomes a more viable option, they are less likely to participate in job training in a program like JTPA.

In the Senior Community Service Employment Program, more than 11 million persons over age 55, or about 25 percent of the population, were eligible for the program in 1980. That is, their family income was less than 125 percent of the Federal poverty level. Budgetary limitations permitted only 77,000 persons, or less than 1 percent of those eligible to participate in that year.

As in other employment and training programs, age and other factors affect participation. The likelihood of eligible persons participating declines with every year of age between 55 and 61.

The SCSEP program is useful as a small work experience program for low-income adults over age 55. The opportunities provided by the program are particularly important for older individuals residing in areas of high unemployment, and for individuals who expect to retire and do not wish to invest in job training.

Before making specific recommendations to improve older persons' participation in JTPA, the 3-percent set-aside and the title V program, let me emphasize several conclusions from the Commission's study.

First, many of the labor market problems of older Americans are grounded in causes other than age discrimination. So even if age discrimination is completely eliminated from the labor market,

many older workers would continue to experience employment problems.

Second. Employment policies and programs must treat these other important causes of labor market problems, such as the loss of a long-held job, directly. Job search assistance and training are two examples of useful activities under JTPA.

Third. Older workers can be successfully served by existing Federal employment and training programs, if attention is paid to their special needs and characteristics.

Fourth. It is undeniable that age discrimination exists in the labor market, and that vigorous enforcement of the Age Discrimination and Employment Act by the Equal Employment Opportunity Commission is essential.

This age discrimination in the labor market, as well as the availability of retirement income, partly explains why older persons are less likely than younger adults to seek JTPA training.

Government has an important training and employment role to play. Older Americans can be successfully served under the Job Training Partnership Act.

The Commission recommends that older workers who are eligible and desire training be given equitable access to JTPA regular, that is title II, training programs, and those established for displaced workers under title III of the act.

In recruiting and training older workers, program operators should make special provision for factors such as health problems that impede older workers' participation in training programs. When overall fiscal considerations make it feasible, the Commission recommends that funding levels for the Job Training Partnership Act be increased.

The 3-percent set-aside provision serves a useful purpose in the Job Training Partnership Act. It has focused the attention of the employment and training system on the training needs of older persons.

The Commission recommends that the 3-percent set-aside reserved for those individuals over 55 be used to assist regular training programs in meeting the special needs of older participants, and to develop model approaches to the training of older individuals.

The Commission recommends that the Department of Labor assess model programs for older workers developed under the 3-percent set-aside, and actively promote successful programs and practices through the provision of information and practical assistance to State and local agencies.

The Commission recommends that the Senior Community Service Employment Program be continued, in order that older low-income individuals may provide useful service to their communities and receive the benefits associated with paid and productive work.

Additional recommendations are contained in my written testimony on page 9. The labor market problems of many older workers are serious. However, as I have indicated, the Job Training Partnership Act, and title V of the Older Americans Act programs can improve the employment prospects of disadvantaged older Americans.

There are several policy directions that government and private-sector policymakers can take that will not only benefit the older workers, but will benefit those businesses that hire them.

I appreciate the opportunity to testify and will be happy to respond to any questions that you have.

[The prepared statement and accompanying material of Dr. Sandell follow:]

TESTIMONY

OF

Dr. STEVEN H. SANDELL

PROJECT DIRECTOR
NATIONAL EMPLOYMENT POLICY AND OLDER AMERICANS
NATIONAL COMMISSION FOR EMPLOYMENT POLICY

HEARING ON OLDER WORKER PARTICIPATION IN THE JOB TRAINING PARTICIPATION ACT PROGRAMS

BEFORE

SUBCOMMITTEE ON AGING
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

FEBRUARY 5, 1986

Mr. Chairman and Members of the Committee: I am Dr. Steven Sandell, an economist on the staff of the National Commission for Employment Policy and director of the Commission's Project on National Employment Policy and Older Americans.

The National Commission for Employment Policy, authorized under the Job Training Partnership Act, is an independent Federal Government agency charged with advising the President and the Congress in the area of employment and training policy. Since its establishment in 1973, the Commission has conducted and supported research to examine the experiences of various groups in the labor force, including blacks, Hispanics, youth, women, and dislocated workers. While keeping up to date on special problems in the work force, the Commission is now turning its attention to changes in the workplace brought about by technological change and increased international competition. The focus is on the employment impact of these changes.

Thank you for the opportunity to testify today about the Job Training Partnership Act (JTPA) and the Senior Community Service Employment Program, Title V of the Older Americans Act, the primary Federal employment and training programs for older workers. The Commission has recently completed a 2-year examination of the employment situation of older Americans (defined for this project as 45 years and older) and employment policies that affect them. With support from the Employment and Training Administration of the Department of Labor, we sponsored 15 research studies carefully designed to fill some gaps in the knowledge base. I have attached to my written testimony a description of these studies as well as a summary of research the Commission sponsored on JTPA. Older Workers: Prospects, Problems, and Policies, the Commission's Ninth Annual Report, presents the Commission's recommendations and findings. It is being printed and will be sent to you as soon as it is available.

Before examining specific programmatic issues, let me first establish a context for discussing the problems and important policy issues concerning older workers. To understand the problems as well as the policy solutions in the older worker area, it is useful to keep in mind some prototypical older workers:

First, there are average working people; that is, mainstream men and women whose earnings increase normally over their working years, peaking in their fifties and leveling off at the end of their working lives, prior to an anticipated period of retirement.

Second, average people can experience unanticipated mid-life events, such as major health or disability problems or the loss of a long held job, that disrupt the average pattern.

Third, there are disadvantaged men and women, people who have struggled all their lives. They have histories of intermittent employment and low earnings and often have severe labor market problems as they reach old age.

Government approaches to the employment problems of older workers focus on all three of these categories. Some, like the regulations aimed at preventing discrimination on the basis of age and those assuring fair pension benefits, benefit all older workers.

Others, like the Job Training Partnership Act (JTPA) and Title V of the Older Americans Act address the needs of income-disadvantaged and displaced older workers. Under JTPA, Title II, which includes the 3 percent set-aside for low-income older workers, addresses the labor market problems of primarily the third group, income disadvantaged older workers. Title III, is directed at the needs of members of the second group, i.e. people whose jobs have been permanently lost.

These programs, and my testimony, focus on older people who are willing and able to work. There is a large group of persons over 55 living in poverty and thus eligible for JTPA. A considerable number of these people neither work nor are interested in working, and thus are not interested in JTPA or other training. In fact, the poor population over age 55 is dominated by nonworkers, especially nonworking, unmarried women over the age of 65. This group of women, numbering 3,356,000 in 1980, represented nearly half (46.9 percent) of all households (including single persons) over 55 who were poor.

Federal Employment and Training Programs

Before examining specific issues with respect to coordination of the the 3 percent set-aside for older workers under JTPA and the Title V program, it is important to understand the experience of older workers in JTPA generally and with past Federal employment and training programs. Lessons learned can be applied to the operation and design of current and future programs.

There are no Federal reporting requirements for the 3 percent set-aside program. However, we know from available data that older persons are participating in both Title IIA, the main training program and Title III programs for displaced workers. According to data from the Job Training Longitudinal Survey, persons 55 and older were 3 percent of the total participants and 5 percent of the the adult (22 and over) participants in title IIA programs in JTPA program year 1984. While persons 55 and older were only about 2 percent of the enrollees in classroom training and in on-the-job training programs, and were 1 percent of the enrollees in work experience programs, they were 5 percent of the enrolleess in job search assistance programs in program year 1984.

The entered employment rate for persons 55 and over was 70 percent for program year 1984. This is similar to the rate for all adults and above the 64 percent rate for Title IIA terminees as a whole.

According to Department of Labor August 1985 statistics, of the almost 75,000 JTPA Title III enrollees in the period between July 1984 and March 1985, 21 percent were age 45 and older. 36 percent of the

displaced workers, as defined by the Bureau of Labor Statistics, were 45 and over. (This estimate represents persons with tenure of three or more years who lost or left a job between January 1979 and January 1984 due to plant closings or moves, slack work or the elimination of their positions or shifts.)

Because JTPA is relatively new, detailed analyses of program data are not yet available. The CETA experience can give us some insight into participation of older workers in JTPA. To be eligible for JTPA, a person has to be economically disadvantaged. In contrast, under CETA an eligible person had to be economically disadvantaged and unemployed, underemployed, or in school. However, because only unemployed or underemployed disadvantaged older persons are likely to be interested in training, the CETA analysis is useful in helping us understand participation in JTPA.

Two key issues dominate analysis of the government-sponsored job training for older workers:

-- Is the training useful?

-- Do older workers receive a fair share of the available training slots?

Job training for older workers appears to have been successful under the Comprehensive Employment and Training Act, even though relatively few people, especially older people, were served. The participants' earnings and employment increased.

Comparing post-program employment and earnings of participants with the employment and earnings of otherwise similar nonparticipants, implies that participation in CETA led to an increase of 4.5 weeks of employment and a 20 percent increase in the employment rate. In short, the program worked for persons 45 and over who participated. These findings bode well for the potential success of training programs administered under the Job Training Partnership Act.

Many JTPA operators are currently having difficulty recruiting older persons. This is not surprising, given that our study of CETA found older persons were less likely to participate than younger adults. Only about 23,000 persons over the age of 55 (about one half of one percent of those eligible) received training under CETA (title IIB) during 1980. These numbers must be viewed in the context of the limited funds available for the program compared with the number of persons eligible, as well as with participation and eligibility statistics for other age groups.

It is extremely important to understand why eligible older persons are unlikely to participate in Government training programs. Although available data do not permit an exhaustive study of age discrimination, it is clear that factors other than age are important. About one-third of the difference in CETA participation rates for persons 45+ and persons age 22 to 44 can be explained by characteristics of the two groups other than age. Labor force participation, family income, and health status

affect participation in CETA training. These factors, which differ systematically with age, account for much of the age difference in participation.

The stronger the labor force attachment of eligible individuals, the more likely they were to participate in training. (Specifically, the more weeks worked in the previous year and the larger the number of weeks unemployed as a proportion of weeks in the labor force, the more likely people were to participate in CETA.) This finding implies that as people age and retirement becomes a more viable option, they are less likely to participate in a job training program like JTPA.

The greater the availability of alternative sources of income, the less likely was participation in CETA. Specifically, receipt of Social Security benefits, public assistance payments, interest payments, Supplemental Security Income (SSI), and the earnings of other family members tends to discourage participation. Thus, part of the low participation among eligible older adults is due to their access to other income sources.

The Job Training Partnership Act (JTPA) provides an opportunity to improve the employment prospects of disadvantaged older workers. The 3 percent set-aside for people over 55 is a vehicle for solving some of the problems that older workers face. States' consideration of how to best use the monies available for this program has focused attention on the employment and training needs of older Americans.

Senior Community Service Employment Program

The Senior Community Service Employment Program (SCSEP), Title V of the Older Americans Act, provides part-time jobs for low income individuals age 55 and older in community service agencies. Although some job training for unsubsidized employment occurs, the emphasis of SCSEP is on providing income support to eligible individuals who perform useful community services. The Commission-sponsored research examined eligibility and participation under SCSEP.

To be eligible for SCSEP, a person must be 55 or older and have a family income less than 125 percent of the Federal poverty level established by the U.S. Office of Management and Budget. Slightly more than 11 million persons, or about 25 percent of the population age 55 or older, were eligible for SCSEP in 1980. Budgetary limitations permitted only 77,000 persons, or less than 1 percent of those eligible, to participate in SCSEP in that year.

As in other employment and training programs, age and other factors affect participation. The likelihood that an eligible person will participate in SCSEP declines with each year of age between 55 and 61. However, unlike CETA participation patterns, SCSEP participation is higher for individuals between age 62 and 65 than for 61-year-olds. Because many individuals retire at age 62 or age 65 as they become eligible for partial or full Social Security benefits, program

participation patterns suggest that SCSEP part-time employment is used as a means of supplementing Social Security payments. SCSEP appears to be attractive to early retirees and, to a lesser extent, to individuals who retire at the customary retirement age. Participation in SCSEP declines for individuals age 71 and older. Many of these individuals have left the labor force and do not want to work or are unable to work.

Married persons and females are less likely to participate in SCSEP than single persons, widowed individuals and males who are otherwise similar. Other factors being equal, eligible blacks and Hispanics are more likely to participate in SCSEP than whites.

The more disadvantaged individuals are served in higher proportion than those eligible persons with higher incomes. Self-selection among eligible persons and targeting by program operators explain this phenomenon. However, tightening eligibility requirements for SCSEP would ensure that only those most in need receive services.

Analysis of the effectiveness of SCSEP in terms of post-program employment of participants is not appropriate for two reasons: The principal aim of the program is to provide part-time employment through community service agencies (even though the Federal Government has established a 15 percent placement goal), and there are no time limits for the duration of participation in the program. In addition, there are no nationally representative data on post-program employment for SCSEP. It is best, therefore, to examine the performance of SCSEP in terms of work and income for low-income older individuals and the delivery of needed public services.

The SCSEP program provides part-time work at the Federal minimum wage in projects that enhance community services. Project examples include assisting in social welfare agencies, preparing and transporting hot meals to home-bound individuals, weatherizing homes, repairing buildings, and maintaining recreation areas. Although these activities do not lend themselves very well to cost-benefit analysis, one can conclude that SCSEP is useful as a small work experience program for low-income adults over age 55.

SCSEP participants consider their jobs worthwhile. Studies have shown that participants' self-esteem and sense of well-being are considerably higher and that they often remain independent longer than they might otherwise have done in the absence of the program. The opportunities provided by SCSEP are particularly important for older individuals residing in areas of high unemployment and for individuals who expect to retire and do not wish to invest in job training.

Coordination Between JTPA and SCSEP

Coordination is important for two reasons. First, the Job Training Partnership Act encourages coordination at the State level by requiring an annual coordination and special services plan from the governor and the establishment of a job training coordinating council. Coordinating the use of existing resources prevents unnecessary duplication of

services at the local level. Second, the requirement that 70 percent of Title IIA funds be spent on training drives JTPA to coordinate with programs that offer income support. Senior Community Service Employment Programs programs offer income support for part-time work to participants.

Coordination issues can be examined at the national or state policy level or it could be examined in terms of behavior at the operational level. This hearing should concern itself with clarifying or, if necessary, changing the rules of JTPA and SCSEP to promote coordinated behavior locally where it is useful. In particular, it may want to address issues of income eligibility. For example, should older persons automatically be counted as a family of one in all jurisdictions? The Department of Labor should give states guidance on these questions or explicitly leave the interpretation to each state.

At the operational level, the Commission has addressed the issue of coordination between JTPA and SCSEP through research and its technical assistance guide, A Practitioner's Guide for Training Older Workers written by Brenda Lester. (Pages 145-152 from Chapter Three "Administrative Issues in Program Planning and Development" are attached to my testimony.)

Cooordination can be formal or informal. Eight ways of coordinating SCSEP and JTPA are suggested in the Guide. They include:

- o Joint planning sessions;
- o Joint recruitment and assessment;
- o Joint planning for individual participants;
- o Joint marketing of older workers to private-sector employers;
- o coordinated geographic coverage of services to older workers;
- o cross-referral of training activities;
- o joint training sessions for staff;
- o development of network of service providers for older persons.

Conclusions and Policy Recommendations

Before making specific recommendations to improve older persons participation in JTPA, the 3 percent set-aside, and the Title V programs, let me emphasize several conclusions from the Commission's study.

First, many of the labor market problems of older Americans are grounded in causes other than age discrimination. So even if age discrimination is completely eliminated from the labor market, many older workers would continue to experience employment problems.

Second, employment policies and programs must treat these other important causes of labor market problems directly. Job search assitance and training are two examples of useful activities under JTPA.

Third, older workers can be successfully served by existing Federal employment and training programs if attention is paid to their special needs and characteristics.

Fourth, it is undeniable that age discrimination exists in the labor market and that vigorous enforcement of the Age Discrimination in Employment Act by the Equal Employment Opportunity Commission is essential. This age discrimination in the labor market, as well as the availability of retirement-income, partly explains why older persons are less likely than younger adults to seek JTPA training.

Although employer actions are critical to the improvement of the employment situation of older workers, many older workers have a need for training and other services that cannot be adequately addressed by employers alone. Thus, government has an important training and employment role to play. Older Americans can be successfully served under the Job Training Partnership Act.

o The Commission recommends that older workers who are eligible and desire training should be given equitable access to JTPA regular (Title II) training programs and those established for displaced workers under Title III of the Act. In recruiting and training older workers, training program operators should make special provision for factors such as health problems that impede older workers' participation in training programs.

If overall fiscal considerations make it feasible--

o The Commission recommends that funding levels for the Job Training Partnership Act should be increased, because less than 10 percent of all eligible low income individuals and dislocated workers, including those individuals age 45 and over, can be served with the current funds available.

o The Commission recommends that the 3 percent set-aside reserved for those individuals over age 55 under the Job Training Partnership Act should be used to assist regular training programs in meeting the special needs of older participants and to develop model approaches to the training of older individuals.

o The Commission recommends that the U.S. Department of Labor should assess model programs for older workers developed under the 3 percent set-aside and actively promote successful programs and practices through the provision of information and practical assistance to State and local agencies. As a first step in this effort the Commission has published A Practitioner's Guide for Training Older Workers to help practitioners design, implement, and educate training programs for older workers.

The Commission recognizes that older workers who lose their jobs often face special difficulties. Compared to their younger counterparts, older job losers are likely to suffer longer spells of unemployment and

greater losses in earnings when they do find new jobs. This is caused, in part, by the fact that older workers have seniority and specialized skills not always useful in new employment situations.

o The Commission recommends that job training programs, such as those funded under the Job Training Partnership Act, should seek to provide special assistance to older job losers with an emphasis on systematic assessment of their strengths in terms of job experience and long-developed skills so that training can be provided to minimize loss of wages in new employment. Such assessments should be especially emphasized in programs designed to serve the needs of dislocated workers such as those under Title III of the Act.

o The Commission recommends that realistic adjustment counseling should be provided to older individuals whose jobs have been eliminated, especially in poor labor markets, and who as a result may have to change occupations or accept somewhat lower wages in order to continue working. Such assistance, especially when provided while the worker is receiving Unemployment Insurance, could help reduce spells of unemployment, ensure that retraining is undertaken faster, and improve the employment prospects of older job losers.

The Senior Community Service Employment Program is a generally useful vehicle that provides part-time jobs for disadvantaged older Americans. It is particularly beneficial for those individuals residing in poor labor markets and for individuals who expect to retire shortly from the labor force and do not want to invest in training for jobs of long duration.

o The Commission recommends that the Senior Community Service Employment Program be continued in order that older low income individuals may provide useful service to their communities and receive the benefits associated with paid and productive work.

Many older job losers wish to work part time or in new occupations. They often have experience, skills, and talents that go unused because they have difficulty finding appropriate work. Specialized placement services for older workers have proved to be successful in a number of areas of the country.

o The Commission recommends that specialized job placement services to meet the unique needs of older workers should be developed and supported as a part of the regular operations of publicly supported employment and training agencies, including those funded under the Job Training Partnership Act, the Senior Community Service Employment Program, the Wagner-Peyser Act (Job Service), as well as other State and local agencies.

A central issue in the discussion of older workers' labor market problems is whether these problems are caused or exacerbated by age discrimination. While the exact extent of age discrimination is difficult to measure and while many of the labor market problems of

individuals over age 45 are grounded in causes other than age discrimination that age discrimination exists in individual cases is undeniable. Our findings indicate that it is necessary to continue to address age discrimination through legal remedies.

o The Commission recommends continued and vigorous enforcement of the Age Discrimination in Employment Act by the Equal Employment Opportunity Commission. The Commission believes that such enforcement in combination with private lawsuits is critical in eliminating age discrimination.

Summary

The labor market problems of many older workers are serious. As I have indicated, the Job Training Partnership Act and Title V of the Older Americans Act programs can improve the employment prospects of disadvantaged older persons. There are several policy directions that government and private sector policy makers can take that will not only benefit the older workers, but will benefit those businesses that hire them.

I appreciate the opportunity to testify and would be happy to respond to any questions you may have.

NATIONAL EMPLOYMENT POLICY AND OLDER AMERICANS

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THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY
AND THE EMPLOYMENT AND TRAINING ADMINISTRATION
OF THE U.S. DEPARTMENT OF LABOR

"Estimated Effects of 1983 Changes in Employer Health Plan Medicare Payment Provisions on Employer Costs and Employment of Older Workers", Joseph M. Anderson et al., ICF Inc.

Recent amendments to the Age Discriminaton in Employment Act resulting from the passage of TEFRA were analyzed in terms of costs to private employers and the effects on private employment. The Amendments were designed to shift the cost of health care for workers aged 65 through 69 from Medicare to employer health plans. The changes should have little effect on the aggregate employment of older workers (reducing demand by about 1 percent). They will raise employer costs by making employer plans the primary payer of benefits and by requiring any company with any type of benefit plan to cover employees aged 65-69 as well as younger workers. However, because these added employer costs will be offset by reductions in other compensation, such as wages and salaries, the author concluded that employment of older workers should change little because of this legislation.

"Age, Productivity, and Earnings: A Case Study of a High Tech Firm", Paul J.Andrisani and Thomas N. Daymont, Center for Labor and Human Resource Studies, Temple University.

The authors examined earnings differences between the older and younger professional and managerial workers of an anonymous high-tech firm and estimated how much of these differences are attributable to school, work experience, skills obsolescence, and similar characteristics rather than to changing attitudes toward work,

physiological aging, or age discrimination. The disadvantages of older workers (skills obsolescence, limited schooling, health problems, and less geographic mobility) are offset by greater work experience. However, reduced productivity associated with declines in performance, changing preferences for leisure, increased opportunity costs and shorter payback periods for on-the-job training, and age discrimination in employment account for roughly a 7.5 percent decline in the earnings of older workers. When firm-specific OJT investments are considered, virtually all association between age and earnings over the life cycle disappears.

"Sources of Labor Market Problems of Older Persons Who Are Also Women, Handicapped, and/or Members of Minority Groups", Robert L. Clark, North Carolina State University.

Certain demographic groups continue to have relatively low incomes and greater difficulties in finding and maintaining desirable positions in the labor market. This study presents earnings ratios by sex, race, educational attainment, and health status, to determine whether or not the relative earnings of these groups decline further with age. Using data from the Retirement History Study (RHS), Clark finds no evidence that nonmarried females, nonwhites, and persons with low levels of educational attainment experience declining earnings relative to white males as they grow older. However, the relative earnings of those with health limitations do decline with age. Additional years of education raise the life cycle earnings for each demographic group.

"Emerging State and Local Roles in Developing Options for Older Workers: Practice and Potential", James O. Gollub, SRI International.

The roles of the public and private sectors in stimulating desirable work opportunities for older workers are changing and policy strategies can increase the options. Five categories of policy tools are identified: regulation/deregulation, tax policy change, program

innovation, administrative reform, and public/private collaboration. Diverse (but limited) activities to increase employment options are taking place at Federal, State, and local levels, in progressive firms, and through new collaborative public/private organizations. Regulatory policies, administrative changes, and experimentation with new models of employment assistance have already established a framework on which further efforts can be built. The need is to promote more systematic policy change that is sensitive to the conditions facing business and to better link the older worker with labor market opportunities.

"Older Workers' Responses to Job Displacement and the Assistance Provided by the Employment Service", Terry R. Johnson et al., SRI International.

The study identifies the types of older workers who become displaced and examines the role of the U.S. Employment Service in assisting displaced older workers. Detailed interview data, combined with ES agency records on services provided, were the data set used for the analysis. The displaced older worker appears to be somewhat more advantaged than other older job seekers in terms of demographic characteristics and previous employment histories, but displaced older workers tend to have somewhat poorer subsequent reemployment experiences. They fare no better than other unemployed older workers. The characteristics of displaced older workers with successful reemployment experiences include more education (having at least a high school diploma), not being a mandatory ES registrant (not registering to receive unemployment insurance benefits), and living in a location with low unemployment rates. The authors make several recommendations, including special assistance to displaced older workers who are less educated or who are forced to leave long-held jobs. They suggest that improved job referral services for older workers should be a primary ES goal.

"Older Workers in the Market for Part-Time Employment", James M. Jondrow et al., Center for Naval Analysis.

After consulting a number of data sets and entertaining a number of hypotheses, Jondrow and his associates concluded that employers find part-time workers of any age to be more costly per hour and less productive than full-time workers of the same age. As a result, employers offer part-time workers a lower wage relative to full-time workers. For older workers, this prospect of low compensation for part-time work appears to be less appealing than full retirement, thus discouraging them from actively pursuing part-time jobs. Reducing social insurance taxes, removing the Social Security earnings limit, or offering subsidies all appear to be ineffective in drawing more older persons into part-time jobs. Since older persons themselves resist part-time work, the authors suggest that Federal policy initiatives in this area are unnecessary.

"Multiple Liability? A Survey and Synthesis of Research Literature Pertaining to Labor Market Problems of Selected Groups of Older Workers", Andrew I. Kohen, James Madison University.

Research literature on three possible sources of double jeopardy for older workers (being black, being female, or being handicapped) focuses primarily on earnings and joblessness as measures of labor market success or failure. Most of the studies surveyed do not show that the lower earnings or higher unemployment experienced by blacks as compared with whites grow worse at later stages of the life cycle. For older female workers, this form of double jeopardy is responsible for comparatively lower earnings and higher unemployment. For older handicapped workers, the few studies done also show double jeopardy. The survey and synthesis of existing research indicates the clear need for theoretical and empirical research directed explicitly at the questions of multiple jeopardy of older workers.

"A Human Resource Management Perspective on Work Alternatives for Older Americans", Carolyn E. Paul, Andrus Gerontology Center, University of Southern California.

Twenty-five companies that have become nationally known for their progressive policies targeted toward retirement-age workers were surveyed. Among formal personnel programs, labor pools for part-time work assignments and phased retirement were more often used (and publicized), while job-sharing, training/retraining, and job recruitment were less often used. Job redesign and job transfer tended to occur informally rather than formally. Public policies have stimulated the creation of job options, shaped their structure, and influenced their utilization by older workers. Management decisions to implement options were influenced by the culture of the organization, the need for the option in the workplace, the character of labor-management relations, and business conditions. Older worker utilization of employment options was influenced by management's communication of option availability, compensation and employee benefit provisions, and Federal employment policy regulations. The findings suggest the need for government marketing strategies to "sell" employment options to employers, unions, and older persons. Two federal policies provide disincentives for older workers: the Social Security retirement earnings test and the Employee Retirement Income Security Act (ERISA) pension suspension policy.

"Innovative Employment Practices for Older Americans", Lawrence S. Root and Laura H. Zarrugh, Institute of Gerontology, University of Michigan.

Using the National Older Worker Information System, a computerized data base developed at the University of Michigan, the authors analyzed a variety of company-sponsored innovative programs and practices involving older workers and discuss examples directed to specific segments of the workforce. Older workers encounter at least four major barriers to continued effective employment: negative stereotypes in hiring or job promotions, limited training or retraining opportunities, limited part-time employment options, and minor disabilities. In response to these problems, private sector employers have designed several innovative approaches: objective work appraisals, full- and part-time hiring programs targeted to mature workers, training and retraining programs designed for older persons, and job modification or redesign efforts that provide the opportunity for continued employment to workers who suffer a minor disability. Private sector programs of these types will continue to expand with the growth in the proportion of older persons in the national labor force, but these efforts will be limited to situations in which the program/practice works to the advantage of the employer as well as the older worker.

"Eligibility and Participation Rates of Older Workers in Employment and Training Programs", Kalman Rupp et al., Westat, Inc.

As part of a study of the participation of older workers in employment and training programs and the effectiveness of these programs, Rupp et al. examined the population eligible for CETA and Senior Community Service Employment Program (SCSEP). They found that the size of the CETA/SCSEP eligible population is limited by program-specific requirements. For CETA title II-B programs, some eligibility rules are advantageous to the elderly, but overall there is a clear negative association between age and the probability of title II-B participation. The estimated proportion of SCSEP eligibles rises

also with age. During the program year 1980-81, 23,000 persons aged 55 or over (0.5 percent of those eligible) participated in CETA II-B programs and 77,000 persons aged 55 and over (0.67 percent of those eligible) participated in SCSEP.

"Age Discrimination and Labor Market Problems of Displaced Older Male Workers", David Shapiro and Steven H. Sandell.

Shapiro and Sandell examined the age-wage relationship of displaced male workers 45 years and older who subsequently found new jobs between 1966 and 1978. Using the National Longitudinal Surveys (NLS) of Mature Men (aged 45-59 when first interviewed in 1966), the authors found that workers over age 65 did suffer wage penalties compared to younger reemployed displaced workers. The loss of firm-specific human capital associated with seniority on the predisplacement job accounts for most of the wage decrease, but some can be attributed to changes in the occupations and hours of work of displaced workers. Older workers who return to work are more likely to change occupations and to work part-time than younger workers. Overall, they conclude that age discrimination is not evident in the wages of displaced male workers aged 45 to 65.

"Women's Increased Lifetime Labor Supply: Implications for Social Security Policy", Steven H. Sandell, National Commission for Employment Policy.

Sandell focuses on the spouse benefit as an example of the importance of changes in women's lifetime labor supply on the Social Security system. In light of women's increased labor force participation and the current Social Security benefit computation rules, he concludes that those debating the merits of the spouse's benefits have exaggerated their cases. Those who claim elimination of the benefit would have a negative impact on child development ignore the fact that most women can spend their child-rearing years without working but still not receive substantial dependent's benefits. Those who call for elimination of the benefits fail to see that it may not be necessary to overhaul the system since, by the next century, only a small minority of women may actually receive the "subsidy" anyway. Sandell does, however, suggest that the current system could be made more equitable to all involved by basing spouse benefits on different criteria than the husband's (or higher earning spouse's) earnings. At any rate, policymakers designing legislation to change the benefit structure of Social Security should understand that the 21st century could be characterized by very different sex-related earnings and labor supply behavior than the recent past.

"Coordination and Cooperation Between SCSEP and CETA Operations", Cilla J. Reesman, Westat, Inc.

Interviews were held with a variety of CETA prime sponsors and SCSEP program operators to determine the extent of cooperation and coordination between CETA and SCSEP in meeting the needs of older adults. Where cooperation worked well, older adults could be employed and paid by SCSEP and trained by CETA. However, coordination and cooperation did not always exist. Some CETA sponsors felt that the training of young people was the prime mandate of CETA. Others felt

that the pressure to place trainees in jobs meant that it would not be feasible to train older adults who would be more difficult to place. The sample size was limited to 9 CETA prime sponsors and 9 SCSEP operators.

"Retirement and Older Americans' Particiipation in Volunteer Activities", Carol Jusenius, National Commission for Employment Policy.

Retired workers could be an important source of volunteers to meet needs left by declines in the role of government. If workers are persuaded to work more years, will volunteerism suffer? In a study of data on volunteerism, it appears that relatively few people participate in volunteer activities, and that volunteerism is lower, rather than higher, among older people. Education has a positive influence on the likelihood that an older person will volunteer, but living in an area with a high concentration of people in need has a negative influence. A history of volunteering is a high predictor of likelihood to volunteer in the future, but few people volunteer continually. Policies that encourage people to work more years rather than retire early are unlikely to affect the probability that an older man will volunteer. Policies that permit moving from full- to part-time work will increase the likelihood that older women will volunteer for some kinds of work. Income from assets (including Social Security) increases the likelihood of volunteering.

"Restructuring Social Security: How Will Retirement Ages Respond?", Gary S. Fields and Olivia S. Mitchell, Cornell University.

To estimate the magnitude of older workers' responses to a restructuring of the national Social Security system, the authors analyzed the current earnings, Social Security, and private pension opportunities available to older workers. Five restructuring proposals are examined to determine how they would affect retirees' incomes, and the corresponding responses of older workers are evaluated.

They found that lowering Social Security benefits for early retirement and increasing the gain from deferred retirement would have the biggest impact on delaying retirement; increasing the age of eligibility for normal benefits would have an immediate effect; increasing only the late retirement credit would have the least effect (essentially no change in retirement ages).

Among the policy implications are that reducing early retirement benefits and increasing the normal retirement age would save the Social Security system money but hurt the average worker, and those who could not postpone early retirement would suffer the most.

To obtain a copy of any of the above research studies, contact the National Commission for Employment Policy, 1522 K Street, N.W., Suite 300, Washington, D.C. 20005, Phone (202) 724-1545

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JOB TRAINING PARTNERSHIP ACT RESEARCH ACTIVITIES OF
THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY

December 1985

The Job Training Partnership Act of 1982 (JTPA), title IV (F) establishes the National Commission for Employment Policy and sets forth its legal responsibilities. Consistent with these mandates, many of the Commission's research activities are directed at JTPA programs. The purpose of this paper is to present a brief description of the completed and current JTPA research projects.

Completed JTPA-Related Research Projects*

1. Baseline Evaluations (for comparison with JTPA programs)

--an evaluation of the impact of private sector participation on clients and outcomes in 1982, entitled --

"Short-Term Evaluation and Research Issues for the Job Training Partnership Act -- Impact of Different Forms of Private Sector Participation on Client Characteristics and Program Outcomes: Final Report" (CSR, Inc., 1983).

--an evaluation of the level of coordination in 1982-83 among related employment, training, education, economic development, and welfare programs, entitled --

"Study of the Status of FY 83 CETA Coordination and Program Activities -- Final Report: Coordination Study" (Bailis, 1984).

--an evaluation of the services and activities in 1982, entitled --

"Study of the Status of FY 83 CETA Coordination and Program Activities -- Final Report: Activities Study" (Bailis, 1984).

--an evaluation of the impact of the elimination of stipends on client characteristics and outcomes in 1982, entitled --

"The Effect of Eliminating Allowances from CETA Training Programs: Final Report" (Bloom, 1984).

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*Limited copies of all studies and papers are available at no cost from the National Commission for Employment Policy.

2. Studies and Reports on JTPA Implementation

"Tracking the Transition -- Summary and Analyis: Early State-Level Preparations for JTPA Implementation" (MDC, Inc., 1982);

"Tracking the Transition, Round II: A Report on the Status of State and Local Preparations for Implementation of the Job Training Partnership Act" (MDC, Inc., 1983);

"An Independent Sector Assessment of the Job Training Partnership Act, Phase I: The Initial Transition" (Grinker, Walker & Associates, et al., 1984);

"An Independent Sector Assessment of the Job Training Partnership Act, Phase II: The Initial Implementation" (Grinker, Walker & Associates, et al, 1985);

"The Roles, Responsibilities, and Major Accomplishments of State Job Training Coordinating Councils (SJTCCs) Under the Job Training Partnership Act of 1982" (MDC, Inc., 1985).

3. JTPA Research Reports, Analyses and Papers

--a paper on work experience as an employment and training strategy, entitled --

"Work Experience" (Johnston, 1982).

--a paper on linking JTPA title III training and unemployment insurance through a sequence of structured services, entitled --

"Displaced Workers: New Options for a Changing Economy" (Baldwin and Donohue, 1983).

--a paper on potential uses of the title II.A six percent set-aside for performance incentives and technical assistance, entitled --

"Managing the Six Percent Set-Aside" (National Governors' Association, 1983).

--a paper on potential uses of the Wagner-Peyser ten percent set-aside for exemplary programs and other purposes, entitled --

"Managing the Ten Percent Set-Aside" (National Governors' Association, 1983).

--a paper on potential uses of the title II.A three percent set-aside for training older Americans, entitled --

"A Practitioner's Guide for Training Older Workers" (Lester, 1984).

--a paper identifying effective and innovative employment programs and strategies for youth, entitled --

"A Youth Employment Policy: Background for Discussion" (Johnston, 1984).

--a paper on services that can be effectively provided in programs which do not provide income support to participants, entitled --

"Program Design Options for Non-Stipended Programs" (Trego, 1984).

--a paper analyzing the JTPA allocation formula, entitled --

"Summary of Meeting on Allocaiton Formula for Title II of the Job Training Partnership Act" (Wallace, 1984).

--a paper analyzing the various Federal reporting systems under JTPA, entitled --

"Federal Reporting Systems for the Job Training Partnership Act" (Wallace, 1984).

--a paper on the differences between JTPA performance standards and evaluation, entitled --

"Information Collection for the Job Training Partnership Act: Performance Standards vs. Evaluation" (Wallace, 1984; rev. 1985).

--a paper on potential uses of the title II.A eight percent set-aside for educational agencies, entitled --

"Getting 100 Percent Results from the Eight Percent Set-Aside under the Job Training Partnership Act: A Policy Options Report" (National Governors' Association, 1985).

--a study and assessment of State-level activities related to JTPA performance standards, youth programs, and technical assistance, entitled --

"Assessment of Adult and Youth Performance Standards Under the Job Training Partnership Act" (National Governors' Association, 1985).

Current (On-Going) Projects

1. Performance Standards Evaluation (major legal mandate)

The Commission has a legal mandate to evaluate the impact of JTPA performance standards on clients, services, and costs. The Commission has contracted with five research firms to develop the evaluation design, to be completed by March 1986; this will be followed by the actual evaluation.

2. Other JTPA and Program Evaluations

--the final phase (III) of the independent sector assessment of JTPA implementation (to be available in February 1986).

--a preliminary evaluation of indicators of more difficult to serve JTPA clients (i.e., those with more significant employment barriers) to assist local areas in better targeting their services (to be available in February 1986).

--a paper on using fixed-priced contracts to serve JTPA clients with greater employment barriers (public staff paper in draft form, currently out for public comment; to be available in final form by March 1986).

--the development of model JTPA evaluation designs for States and local service delivery areas (to be available in April 1986).

--an evaluation of the level of coordination between JTPA and other employment, training, education, economic development, and welfare programs (to be available in August 1986).

--an evaluation of the types of activities and services provided under JTPA (to be available in August 1986).

--an three-year evaluation, by MDRC, Inc., of JOBSTART demonstration programs that use different strategies for dropout youth, cofunded by the Department of Labor, and the Ford, Rockefeller and other foundations (to be available in 1989).

For further information, please contact
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A PRACTITIONER'S GUIDE
For
TRAINING OLDER WORKERS

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CHAPTER THREE
ADMINISTRATIVE ISSUES IN PROGRAM PLANNING AND DEVELOPMENT

This chapter deals with planning and developing the program in coordination with other agencies in the area that have a mutual interest in employment in general and older workers or older persons.

Establishing Linkages and Coordinating Services

Why should JTPA staff go through the time-consuming process of establishing linkages and developing coordination procedures with other agencies and programs? First, JTPA legislation directs coordination and use of existing resources to prevent unnecessary duplication of services at the local level. Second, there are some distinct advantages to older workers if program operators cooperate and services are coordinated.

One Commission-sponsored study (Reesman, 1983) examined the coordination between the Senior Community Service Employment Program (SCSEP) and the Comprehensive Employment and Training Act (CETA) operators. These two programs constituted the main employment and training avenues for older workers at the local level. The purpose of the study was to ascertain the advantages that coordination offered for older workers, as well as the programmatic and institutional barriers that impede coordination.

Benefits of Coordination in Employment and Training Programs

Coordination between SCSEP sponsors and CETA prime sponsors produced the following benefits:

- Each program's resources were augmented; geographic coverage was assured.
- Older workers were served in larger numbers and with better access to comprehensive services.
- Cross-referral of applicants proved to be an excellent procedure for directing applicants to the program that could provide the most appropriate services to meet each applicant's specific employment needs.
- The two programs were able to share the work of assessing and of developing plans for individual participants.
- The sponsors could plan for older participants to enroll in both programs sequentially, when available and appropriate.
- Waivers and clarification of eligibility requirements were obtained for the CETA program which simplified the referral process.
- Program sponsors coordinated not only with each other but with other agencies such as health care and social services.

Methods of Coordination

Coordination can be formal or informal. Formal procedures may include contractual arrangements concerning service delivery or management activities and formal policy and planning sessions. Informal procedures include program operating arrangements such as referrals from one agency to another and informal policy and planning coordination. Most coordination between SCSEP sponsors and CETA prime sponsors was informal (Reesman, 1983).

Examples of Good Coordination Practices

In these cases, each program sponsor described the two programs as complementary. SCSEP and CETA respondents were knowledgeable about the other's services and eligibility rules. Interprogram referrals were

the norm as described by one CETA director:

> If the CETA applicant does not want or need assistance in reintegration into the world of full-time work, we will refer him/her to SCSEP. When they have applicants needing additional supportive services, full-time PSE, work experience, or training, they refer them to us. All parties agreed, however, that CETA training slots were "hard to find" for older workers (Reesman, 1983).

These sponsors did not limit their cooperation and coordination. They also established relationships with the Employment Service, community-based organizations, and the network of area agencies on aging. Most contacts were informal and related to operational issues.

Obstacles to Coordination

▲ Plan from the beginning to avoid some of the pitfalls practitioners have given as obstacles to coordination between employment and training programs:

- o Administrative structure of programs
- o Lack of program models
- o Lack of communication
- o Personalities of staff involved
- o Performance standards
- o Concentration on youth
- o Interpretation of eligibility criteria

▲ JTPA administrators may want to consider ways of structuring the coordination process:

- o Set the stage for coordination by providing interest and giving

consistent verbal support;

- o Appoint staff who have good interpersonal and communication skills to maintain informal contact with other employment and training programs;
- o Meet with other program administrators to establish the overall goals and objectives for coordination;
- o Focus on the advantages to be gained for the older workers and the training program rather than succumbing to the tendency of turf protection;
- o Work with other practitioners to design program models (combining experience and knowledge to fill the gaps resulting from the lack of formal program models);
- o Stress the employment needs of older workers and their inclusion in various titles of JTPA and coordinate the 3 Percent Programs with other JTPA programs.

Differences in SCSEP and JTPA 3 Percent Programs

Even though the SCSEP and the JTPA programs are different, they will be serving the same age constituency, and there are a number of ways the two programs can work together. Before discussing those ways, the program differences are detailed in the chart below.

SCSEP	JTPA 3 PERCENT PROGRAMS
ELIGIBILITY CRITERIA	
Age 55+ Family Income 125% of OMB level. State residency required. Priority given to persons age 60 and over.	Age 55+ Family Income "economically disadvantaged", defined as 100% of OMB poverty level or 70% of the BLS Lower Living Income Standard (whichever is higher)
PROGRAM EMPHASIS	
Part-time community service employment.	Training for older workers.
PRIVATE-SECTOR INVOLVEMENT	
Goal is to place 15% of program participants in unsubsidized employment, in the public or private sector.	Legislation requires the program to place older people in jobs in the private sector.
TRAINING ACTIVITIES	
Limited to 260 hours per year; cannot have on-the-job training contracts unless approved for Section 502 Experimental Projects.	Cannot have public-service employment and has restrictions on work experience.

Eight Ways of Coordinating the SCSEP and JTPA 3 Percent Programs.

The following are eight ways SCSEP program operators and JTPA 3 Percent program operators can coordinate the two programs. In this age of limited resources, it is essential for programs to ensure that they are not duplicating the efforts of others, and that they are using the funding they have in the most effective manner.

▲ These are some of the ways the two programs designed for older workers can cooperate to provide the best employment services possible for the older population.

1. **Joint Planning Sessions**--Some SCSEP sponsors have been operating employment programs for older workers for many years and have developed expertise on the employment needs of older workers through direct service contact with older people. They also have experience in working with local employers and other community agencies. In the planning and implementation of JTPA 3 Percent programs, this expertise could be valuable.

2. **Recruitment and Assessment**--Since both SCSEP and JTPA programs are seeking applicants age 55+, program staffs could coordinate recruitment methods and assessment procedures. During assessment, they could determine which program would be the best for their applicants.

   SCSEP would be the appropriate program to help persons who have incomes between 100 to 125 percent of the OMB poverty guidelines and who are interested in part-time work. JTPA would probably be the appropriate program for person whose income is 100 percent of the OMB poverty level or less and who have employment needs that include training. Often, this latter group will include persons who range in age from 55 to 61 and who have few financial resources. A large percentage of this group will be

older women.

3. **Joint Planning for Individual Participants**--Although many SCSEP participants may have too much income to be eligible for the JTPA 3 Percent programs, JTPA staff should not assume that all SCSEP participants are ineligible as some CETA prime sponsors did. For instance, an SCSEP participant who has no family income (this is not rare for women between the ages of 55 and 61) and works 20 hours or less per week at a job provided through SCSEP for minimum wage, $3.35 per hour, would probably meet the eligibility requirements for JTPA.

   SCSEP and JTPA could provide a continuum of services to older participants. For example, an older woman who has never worked may need the employment experience SCSEP could provide before going into training or into private-sector employment. SCSEP programs must design community service jobs to fit the needs and abilities of applicants; these jobs would give older participants the opportunity to learn about the world of work, their abilities, and training needs before entering a JTPA program.

4. **Joint Planning and Marketing of Older Workers to Private-Sector Employers**--Both SCSEP and JTPA staffs will be working to place older workers in the private sector, so it seems practical to determine how they can work together, as, for instance, on job fairs, employer seminars, and symposiums. Since the placement goal for SCSEP is 15 percent, SCSEP sponsors may not need to place as many resources in this area as JTPA sponsors, but cooperation can stretch the resources of both programs.

5. **Geographic Coverage of Program Services to Older Workers**--In planning services to local areas, SCSEP and JTPA program operators can review where the resources of both programs will be best used to ensure adequate coverage for local

communities in the service area. This is especially important for large multicounty service area and service areas made up of urban centers surrounded by rural areas.

6. **Cross-Referral of Training Activities**--Cross-referral of available training resources and discussion of common problems encountered and potential solutions in training older workers can save both staffs valuable time.

7. **Joint Training Sessions for Staff**--Joint training would be useful for new staff members of both programs who need to learn how to work effectively with older participants and employers. Also, periodic joint training sessions with ongoing staff to share new information and discuss common problems could be helpful.

8. **Development of a Network of Community Service Providers for Older Persons**--The network would include vocational education, health care, vocational rehabilitation, community action, adult education, information and referral, transportation services, senior centers, social services, nutrition programs and legal aid agencies. Researchers have found that the agencies with the best cooperative practices had an overall service strategy of cooperation with many local groups.

Senator GRASSLEY. Yes. I have more questions than we will have time for, so maybe I will have to submit some of them to you in writing; but before I start the questioning, I want to acknowledge that the National Governor's Association made a very special effort to analyze a big survey on the Job Training Partnership Act that they had done, and they did that, timely, so that we could get the results for this hearing.

And so I would like to make a special thank you to them. You might pass on that I recognized that.

Dr. JOHNSON. Thank you, Senator.

Senator GRASSLEY. You bet. My first question deals with the availability of information, and it would be—I guess any of these questions could be addressed to both of you. I might ask one of you to start out before the other one does, but if I do ask a question of one of you, and the other one has something to add, feel free to do that.

Does this program generate enough information about older workers, at the national level, to enable us to make a judgment about how adequately the program is serving them?

Now, that is my question, but let me make it clear, that I am referring not just to the 3-percent set-aside, for which I understand that there is no requirement that we have a national level data collection, but I am also asking about other parts of the program, like the Veteran's Program, and the "10-percent window" program. And I ask this question with regard to the Labor Department's data collection and analysis activity, and not the independently mounted surveys like the one I just referred to, the National Governor's Association.

Dr. JOHNSON. Well, Senator, DOL is going to require a breakout on the 3-percent JTPA money, and if you are looking at the broad picture, I would say that I think the reporting requirements would give the Congress enough information to make a judgment on JTPA overall.

Senator GRASSLEY. OK. So we do have a data base?

Dr. JOHNSON. That is my opinion.

Senator GRASSLEY. OK. Dr. Sandell.

Dr. SANDELL. There was a notice, I believe, in the January 14 Federal Register on future requirements under the Job Training Partnership Act, particularly concerning the annual status report data, or the JASR data.

Currently, there is a category for separate reporting of those participants age 55 and older. Under the proposed regulations, the category would be broadened to 30 and older, and it is my belief, and the Commission's belief, that if that were done, there would not be enough information on who is served, 55 and older. The Commission is recommending that the reporting requirement be—that the category 55 and older be retained.

Dr. JOHNSON. I would agree with that.

Senator GRASSLEY. Now, I hope I am correct in understanding that the Department of Labor is proposing to stop requiring the identification of workers who are participating, who are 55 and older, by the age category, and simply requiring identification of participants 30 and older.

I would like to know the position that your organization takes on that issue. Before you answer, though, I would like to say that I am going to have to review the Department's reasons for the proposed change.

But on the surface, I am not sure that I think it is a good idea, so taking into consideration your response, I might send a letter to the Department, urging them not to make that change.

But would you proceed.

Dr. JOHNSON. Well, that was not my understanding, Senator, but if that is true, I would agree with you. I think it is not that difficult for States to break out that information, so I think they ought to collect it that way. That is, they ought to have an age category for 55 and older under the reporting requirements, and I do not see that that is that much of a problem.

Dr. SANDELL. The Commission believes that a 30 and over category would be too large to be informative, and that the 55 and older category should be maintained.

Senator GRASSLEY. Dr. Johnson we do not think that we have the wrong information, that that is what the Department of Labor is considering doing. So maybe if this is the first you have heard about it, you may want to look into it and advise us back accordingly.

Also, as I understand it, the Department of Labor has not thought it advisable to develop performance standards for older worker portions of the Job Training Partnership Act, on the grounds that not enough is known at the present to permit such development, and of course it does permit the States—I mean, the act does permit States to develop such performance standards.

To date, I believe that nine States have developed such performance standards. I would ask Dr. Johnson, first: Do you think that nationwide performance standards can be developed, and, do you think that they should be developed?

Dr. JOHNSON. I do not know how much that would impinge on the flexibility, to be honest with you. I think I would just refer it over to——

Senator GRASSLEY. Yes, and what you are saying is such flexibility is a key to the purpose of the act?

Dr. JOHNSON. I think so. I think the performance standards are good throughout the JTPA Program because it really does hold jurisdiction's "feet to the fire" in terms of what the outcomes are.

Senator GRASSLEY. Yes. I suppose you are saying that you do not think that they should be developed. Would you also say that they cannot be developed.

Dr. JOHNSON. No, they certainly could be developed. Right.

Senator GRASSLEY. Yes. OK. Dr. Sandell.

Dr. SANDELL. The Commission does not have a position on this but I think it is important to remember that there are a large variety of 3 percent programs that do different things for different types of older people with various employment backgrounds.

So it may be very difficult to develop very specific Federal standards. That does not, of course, prohibit the States from monitoring their own programs.

Senator GRASSLEY. This may be difficult for you to answer, in light of what you just said, Dr. Johnson, and your view on the first

question; but should performance standards for the 3-percent set-aside be the same as the IIA performance standards, or should they be modified in any way to reflect special problems in training older workers?

Dr. JOHNSON. Well, I think, Senator, that when you are talking about the traditional classroom, many of the programs that are set up under JTPA simply do not apply to older people.

It is like taking a person and putting him back in the classroom, in a high school, when he is 35 years old. People just will not go back to high school. They will go to a community college but they will not go to a high school, and I think the same holds true. When you get to be 55 or older—I mean, I am not quite there but I am approaching it—I do not think that I would want to go to some of the programs that are typically set up for JTPA.

By and large, from the conversations I have had with people, work experience, OJT programs with some support, attempting, on the part of staff to break down the discrimination barriers against age—those are the kinds of things that really help.

So, to be specific, I think, once again, flexibility on this particular program, since it is such a "small piece of the action," makes sense.

Senator GRASSLEY. Dr. Sandell, I would like to have your elaboration on the Commission's recommendation that the 3-percent set-aside money be used to assist regular training programs, and I would also ask if I am correct in assuming that that recommendation will not get 100 percent endorsement from other people who follow the Job Training Partnership Act Program?

Dr. SANDELL. Well, I will not try to guess what the endorsement would be at this time. One important aspect of that recommendation is that in some cases, recruiting may be the problem, and there may be some program set up that would be useful to older workers.

For example, if the funds in the regular programs are used for certain placement activities, it may be useful to use those activities for older workers, and not in some cases, set up a separate program for placement of just older workers.

But the thrust of the recommendation is that it is not always necessary to have a separate training and/or placement program for older workers. Clearly, in some cases, it may be very useful.

Senator GRASSLEY. Do you have any reason to think that the availability of the 3-percent set-aside tends to discourage or hinder efforts to involve older workers in some of the other Job Training Partnership Act programs? And if you would think that, what evidence do you have for that?

Dr. JOHNSON. I do not have any evidence on that.

Senator GRASSLEY. Dr. Sandell.

Dr. SANDELL. No direct evidence on that.

Senator GRASSLEY. Dr. Sandell, this refers to some parts of your testimony. You reviewed the number and percentages of older workers served in parts of the program other than the 3-percent set-aside part.

I am not sure that I can tell from your statement, whether you would conclude that older workers are adequately served in the Job Training Partnership programs or not; whether, to use your

own question, "older workers receive a fair share of the available training slots."

Dr. SANDELL. You are perfectly right in not seeing a conclusion in my testimony. I do not think you can make a conclusion based on those raw numbers alone; but as the Department of Labor's longitudinal survey of participants in the Job Training Partnership Act continues, and the characteristics of the participants, and the characteristics of the eligible population can be analyzed, we can get a firmer conclusion as to whether older workers are being adequately served.

And I think that will be possible in a year or two, given their current plans.

Senator GRASSLEY. I have finished my questioning, but before you leave, I would like to say that, as I have indicated, there are one or two Members who have submitted statements. It could be that others show up, but sometimes, with conflicts, they do not. For your benefit, and for the benefit of other panels, let me say at this point that you may get questions in writing from other Members, or even followups from myself. If you do, if you could have those responses back in 15 days, and also, that 15 day period of time gives you an opportunity, on your own initiative, to add to the record, or to make any corrections or additions.

Dr. JOHNSON. I would just, Senator, finally say again, though, that in Maryland alone, we are not spending the money at the rate that we should be spending it, and I think there is a couple of reasons.

One is the priority that is placed on it, but more importantly, I think, this income eligibility question, because what happens, with our experience is, if the Federal Government does not clearly define what the parameters are, you find States taking more and more a conservative posture on what they will spend, and how quickly they will spend it.

Because what happens is, in a postaudit, the Federal Government will come back in and take the money. Now it is a double whammy because if you do not spend the money, up front, then they will come in and take the money because you are not spending it. So I would just urge, that the one thing I would like to see is some consistent eligibility guidelines here, and an extension of that "window" to the 3 percent.

Senator GRASSLEY. Now, in any way, does that conflict with what you were suggesting when I asked about performance standards regarding flexibility? Is there any sense in which we would be reducing flexibility?

Dr. JOHNSON. I do not think so because this is an audit characteristic here, and if you leave the performance standards alone, that would not be an audit characteristic.

Senator GRASSLEY. Also, for my own benefit, does that require a change in statute, or that is just regulations that could be manipulated within the confines of the statute?

Dr. SANDELL. I am not sure about that.

Senator GRASSLEY. OK. Thank you very much.

I am going to call now the second panel. I have already introduced them, but I will introduce them again.

Wilda Ferguson, commissioner of the Virginia Department of Aging and president of the National Association of State Units on Aging.

The second panelist is Esther Schaeffer and she speaks for the National Alliance of Business. It is my understanding that you are vice president for policy of that organization. Ms. Schaeffer, I am going to call on you second, but would you introduce your colleague whom you have brought to the table with you?

Ms. SCHAEFFER. Thank you, Senator. This is Fran Rothstein. Fran is the director of research for the National Alliance of Business and headed a project we did with the Administration on Aging to encourage the private sector to employ older workers.

Senator GRASSLEY. Thank you. Let's turn to you, Miss Ferguson.

STATEMENTS OF WILDA FERGUSON, COMMISSIONER, VIRGINIA DEPARTMENT ON AGING; AND ESTHER SCHAEFFER, VICE PRESIDENT OF POLICY, NATIONAL ALLIANCE OF BUSINESS, ACCOMPANIED BY FRAN ROTHSTEIN, DIRECTOR OF RESEARCH, NATIONAL ALLIANCE OF BUSINESS

Ms. FERGUSON. Thank you. NASUA welcomes the opportunity to comment on the 3-percent set-aside provisions of the Job Training Partnership Act.

First, we would like to acknowledge with appreciation, the provision Congress has made in this act to address the serious problems of age as an additional obstacle for the older job seeker.

Older workers are one of the principal target groups to be served under JTPA and the 3-percent set-aside assures that at least some attention will be focused on that population.

We strongly believe, however, that title II-A, as well as title III, must equitably serve older workers. The plight of the older worker is of growing concern as we note that the decline in certain industries produces job layoffs and plant closings.

Job displacement is difficult at any age, but for the older worker who wants, and may need to continue working, it can be especially devastating. While the data on the older jobless are not easy to interpret, because some simply give up and leave the job market, we do know that older workers who are unemployed and seeking a job, stay unemployed longer than their younger counterparts.

The Bureau of Labor Statistics notes that between 1979 and 1984, over 5 million workers lost their jobs due to plant closings or declining sales.

More than half of those who were over the age of 55 were unable to reenter the work force. In many cases, this is not only a personal tragedy, but a real loss to the economy, when those workers with years of experience and learned skills are forced to the sidelines.

These observations are intended, Mr. Chairman, to underline our strong support for the 3-percent set-aside. The National Association of State Units on Aging has been involved with the JTPA program from its inception.

In 1984, with the cooperation and support of the Administration on Aging, NASUA convened a national conference on older worker involvement in JTPA.

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And in August 1984, NASUA established a clearinghouse on JTPA and older workers for the benefit of policymakers and JTPA administrators.

The clearinghouse receives requests for information on such topics as training, placement and recruitment strategies, and administrative and structural options for operation of the program. This year, in March, NASUA, again with the support of AOA, will convene a second national conference on the subject of making JTPA work for older workers.

The object of this conference is to let persons hear about successful practices and ways to ensure that the entire program serves older workers. It is a good and constructive change of ideas and experiences.

State units on aging are actively involved in setting policy for the Job Training Partnership Act. In about 20 States, the State unit on aging administers some or all of the funds under the 3-percent set-aside.

In many of the other States, the State unit on aging serves on the State job training coordinating council, as I do in Virginia, on planning task forces, and on study teams which review proposals for the 3 percent.

One of the strong points of the 3-percent program is that it can be designed to take into account the various local, social, and economic conditions in each State, thus encouraging the development of a variety of models.

This builtin flexibility has resulted in the allocation of funds available under the 3-percent provision to be distributed in several different ways.

Some States distribute the funds by formula to the SDA's or to area agencies on aging. Others distribute the 3-percent funds by issuing a request for proposal, and award funds based on a State plan of operation. A third method of distributing funds combines the other two, a portion being distributed by formula, with the remainder going to another agency for model projects, or allocated through the use of RFP's, as we do in Virginia.

On the matter of coordinating JTPA 3-percent set-aside under title V, Older American Act program, tbere is a number of ways in which this can be done. It is done frequently through the pooling of resorces.

In 39 States, title V income is excluded from eligibility for the Job Training Partnership Act, and older workers may receive work experience under title V, but classroom training under JTPA.

We do have a few suggestions that we would like you to consider. First and foremost, we would recommend the continued flexibility.

Second, we feel that more data-gathering and dissemination on the part of DOL would be valuable. We need to know how well the 3-percent program is working, nationally, by the application of some uniform reporting standards.

Now, we are not asking that these be unnecessarily burdensome but we do feel that there is no national data base being tabulated, and we believe that national figures are important to have, and NASUA would volunteer to help the Department of Labor, if we could be of assistance. We were dismayed by the Department of Labor's proposed change in reporting requirements, that would dis-

continue reporting on participants age 55 and older, substituting instead, the requirement for age 30 and over, with no breakout.

This change would mean it would be impossible to determine the number of older workers being served under title II-A, and we have written to the Department of Labor opposing this change, and a copy of our letter is attached to this testimony.

A third suggestion is that there be Federal leadership in promoting coordination between JTPA and employment and training, and vocational education programs supported through the Carl D. Perkins Vocational Education Act.

Some of that is occurring already on the State level and in Virginia, our job training partnership coordinating council and the vocational education council have joint meetings to assure some coordination.

Finally, we recommend that consideration be given to broadening the eligibility requirement for the 3-percent program. Changing the eligibility standard for JTPA from 100 percent of poverty to the eligibility standard applied to the title V program, 125 percent, which would provide more opportunities for individuals in critical need, and would increase the coordination between the two programs. Providing a "window" in the 3-percent program, as there is in the IIA program, would provide opportunities for those older workers who do not meet the eligibility requirements.

Mr. Chairman, we appreciate the opportunity to comment.

[The prepared statement of Ms. Ferguson follows:]

NASUA

NATIONAL ASSOCIATION OF STATE UNITS ON AGING

600 Maryland Ave., S.W., #208, Washington, DC 20024 • (202) 484-7182

Statement of

The National Association of State Units on Aging

on

Job Training Partnership Act
3% Set-Aside Older Worker Program

Presented to the

Subcommittee on Aging

Senate Committee on Labor and Human Resources

by

Wilda Ferguson

Commissioner, Virginia Department on Aging

and

President of NASUA

Wednesday, February 5, 1986

Mr. Chairman, members of the Committee, I am Wilda Ferguson, Commissioner of the Virginia Department of Aging and President of the National Association of State Units on Aging. We welcome this opportunity to comment on the 3% set-aside provision of the Job Training Partnership Act.

First of all, we want to acknowledge with appreciation the provision Congress has made in the Job Training Partnership Act to address the serious problems of age as an added obstacle for the older job seeker. Older workers are one of the principle target groups to be served by JTPA and the 3% set-aside assures that at least some attention will be focused on the population. We strongly believe however that Title II-A as well as Title III must equitably serve older workers. The plight of the older job seeker is of growing concern as we note that the decline in certain industries produces job layoffs and plant closings.

Job displacement is difficult at any age, but for the older worker, who wants, and may need to continue working, it can be especially devastating. While the data on the older jobless are not easy to interpret because some simply give up and leave the market, we do know that older workers who are unemployed and seeking a job, stay unemployed longer than their younger counterparts. Older workers often have difficulties in finding suitable retraining opportunities, and frequently become so discouraged with the poor prospects of securing employment that they simply give up.

The Bureau of Labor Statistics notes that between 1979 and 1984 over 5 million workers lost their jobs due to plant closings, or declining sales. More than half of those who were over 55 years old were unable to re-enter the work force. In many cases this is not only a personal tragedy, but a real loss to the economy when those workers with years of experience and learned skills are forced to the sidelines. When we consider that not too many years ago Congress raised the mandatory retirement age from 65 to 70 we realize that a 55 year old worker may have been looking forward to another 10 years or so, of productive work.

Mr. Chairman, these observations are intended to underline our strong support for the 3% set-aside. We welcome this occasion to comment on the program and also we want to learn from the testimony of other witnesses how they view the program, and their suggestions for improving it.

NASUA has been involved with the JTPA program from its inception. In March, 1984, with the cooperation and support from the Administration on Aging, we convened a national conference on older worker involvement in JTPA. Participants from 35 states were in attendance to discuss strategies for implementing the 3% program. Half of the participants at the conference represented State government - the other half was about equally divided between local and national organizations.

In August of 1984 NASUA established a Clearinghouse on JTPA and Older Workers, for the benefit of policy makers and JTPA administrators. The Clearinghouse receives requests for information on such topics as training,

placement and recruitment strategies; and administrative and structural options for operation of the program. These requests come from State Units on Aging, State Employment and Training Agencies, Area Agencies on Aging, the administrative entities of the Service Delivery Area, and a range of training providers.

In 1985 NASUA conducted seminars in six sites across the county in conjunction with the Center for Local Community Research. One seminar focused on marketing strategies for effectively recruiting older persons; the second provided program and policy options for managing the 3% older worker program. Through these seminars, NASUA provided training to over 300 persons involved in the implementation of JTPA.

In March of this year NASUA, with support from the Administration on Aging will convene a second national conference on the subject of "Making JTPA Work For Older Persons". The conference will take place in Baltimore, Md. on March 17-18, 1986. Participants at the conference will have an opportunity to share in a wide variety of useful information. They will hear about some of the more successful practices being used to administer the 3% set-aside program and ways to insure that the entire program serves older persons. They will hear from specialists on ways they can improve their programs and, in general, the Conference will provide a setting for the constructive exchange of ideas and experiences.

State Units on Aging are actively involved in setting policies for the Job Training Partnership program. In about twenty States the State Unit on Aging administers funds under the JTPA 3% set-aside. In many of the other States the State Aging Unit serves on the State Job Training Coordinating Council; on planning task forces of the council, and on study teams which review proposals for the 3% program. This involvement of the State Aging Units, and in many cases, the Area Agencies on Aging, together with the state employment network helps to assure the development of programs which have the greatest potential for meeting the needs of older workers.

One of the strong points of the 3% program is that it can be designed to take into account the various local social and economic conditions of each state, thus encouraging the development of a variety of models. This built in flexibility has resulted in the allocation of funds available under the 3% provision, to be distributed in several different ways.

Some states distribute the funds by formula to the SDAs or to the local Area Agencies on Aging. In most cases it is to the SDAs. In my state of Virginia our department receives the JTPA 3% funds and we distribute them by formula to our Area Agencies on Aging. Our formula is based on two factors - the total 55+ population; and the total 55+ low income population.

Another method of distributing the 3% funds is to issue a request for proposal and award funds based on a stated plan of operation. In Arizona the Department of Economic Security Aging and Adult Administration, which administers both the Senior Community Service Employment Program (Title V)

and the JTPA 3% Older Worker Program invites proposals from SDAs, and private non-profit, and private for profit organizations to become involved in older worker training programs.

A third method of distributing funds combines the other two, i.e., a portion being distributed by formula, with the remainder going to another agency to set up model projects. In the State of New York 15% of the available 3% older worker funds are used to develop model program and statewide initiatives - with the remainder being distributed to the Service Delivery Areas.

On the matter of coordinating the JTPA 3% set-aside program and the Title V Older Americans program (SCSEP) there are a number of ways in which this coordination is now taking place.

Pooled Resources. At the State level, a number of State Units administer both the Title V program and the JTPA Older Worker Program, and in some cases, a State funded employment program. This insures maximum program coordination in such areas as training and technical assistance for local programs. At the local level many area agencies use multiple funding sources in operating employment programs for older workers. This allows for centralized intake, assessment and job development. The use of multiple funding sources enables a program to offer a full range of employment services including job research assistance, work experience, on the job training and classroom training.

Participation of Title V enrollees in JTPA. Thirty nine States exclude Title V (i.e., SCSEP) income in determining eligibility for programs funded under the Job Training Partnership Act. This policy, promoted by State Units on Aging, enhances coordination between the two programs and facilitates the transition of Title V enrollees to unsubsidized employment. For example, an older worker might receive work experience under Title V and classroom training under JTPA.

At the State level, activities such as conferences and workshops for staff of employment programs are sponsored jointly by the State Unit on Aging and the State Employment and Training Agency. At the local level, employment programs funded by different sources (e.g., Title V, JTPA) may conduct joint outreach and recruitment campaigns, make cross referrals, and participate in an advisory capacity for each other's program.

The fact that JTPA emphasizes training for jobs; brings together the private and public sector in a partnership effort for training; and focuses on jobs in private business rather than the public sector should produce significant results for older workers - not just in the 3% set-aside effort, but through the JTPA program as a whole. From the available information based on the experience of the program to date we would not recommend any major revisions. We do though want to offer a few suggestions which we believe will enhance the effectiveness of the program.

First, we continue to support the flexibility allowed to the States in the administration of the 3% set-aside program. The restraint exercised by the

Department of Labor in promulgating rules and regulations which underscores this flexibility is commendable. But, we do feel that the States can benefit from additional assistance from the Department of Labor. Specifically, we would welcome more technical assistance to States that are having specific problems, and technical assistance and training in broad program areas where trouble is evident.

Greater involvement of the Department of Labor in providing technical assistance will not only give needed guidance and direction, but may also help to anticipate and head off potential problems. NASUA would be pleased to work with the Department of Labor to facilitate the design and implementation of this assistance.

Second, we feel that more data gathering and dissemination on the part of DOL would be valuable. We need to know how well the 3% program is working nationally by the application of some uniform reporting standards. And we would be helped by knowing what works and what doesn't work. Although we do know this from state to state, and we will deal with this subject to some extent in our National Conference, a national perspective based on data gathered by the DOL would be useful.

Clearly, we do not want reporting to be unnecessarily burdensome. However, States are already collecting data on the 3% program in their respective states, but there is no national data being tabulated. We believe national figures are important to have and NASUA would be pleased to assist the

Department of Labor in gathering nationwide information on the 3% set-aside program.

Concerning data gathering, we were dismayed by the Department of Labor proposed change in reporting requirements that would discontinue reporting on participants age 55 and older, substituting instead, reporting on participants age 30 and over, with no breakout at age 55. This change would mean it would be impossible to determine the number of older workers begin served under Title II-A. We have written to the Department of labor opposing this change - and a copy of that letter is attached to this prepared testimony.

Our third suggestion is there be Federal leadership in promoting coordination between JTPA and employment and training and vocational education programs supported through the Carl D. Perkins Vocational Education Act.

Finally, we recommend that consideration be given to broadening the eligibility requirements for the 3% program. Changing the eligibility standard for JTPA from 100% of poverty to the eligibility standard applied to the Title V program - 125% - would provide more opportunities for individuals in critical need and would increase the coordination between the two programs. Further, providing a "window" in the 3% program as there is in the II-A program would provide opportunities for those older persons who do not meet the eligibility requirements but are in need of job training. The law states that up to 10% of the participants in the II-A program do not have to be economically disadvantaged if they encounter barriers to employment.

Older workers are sited as one group of workers who may encounter barriers. We believe that this provision should be extended to the 3% program.

Mr. Chairman - in summary we again want to express our appreciation for the opportunity to present our views to the Committee on this important program. May we re-emphasize that the JTPA program is meant to serve all ages including older workers, and that the 3% set-aside not only focuses needed attention to this target group, but can provide useful models for effectively and efficiently meeting the special problems of the older worker in other aspects of the JTPA program.

NASUA

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January 17, 1986

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Executive Director

Assistant Secretary of Labor
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U.S. Department of Labor
601 D Street, N.W.
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Attn: Hugh Davies

Dear Mr. Davies:

We wish to comment on the proposed revisions to the Job Training Partnership Annual Status Report for the Title II-A and III program.

Our particular concern is with the proposed elimination of the current requirement that participants age 55 and older be identified by age category. Combining this age group with all participants age 30 and over, as proposed, will make it impossible to determine the number of older workers being served with the 78% of funds.

The difficulties of older individuals seeking employment are well documented. Even though Congress enacted legislation prohibiting job discrimination on the basis of age as one means of reducing the hurdles facing older workers, these age related difficulties persist. The JTPA program addresses their special problem, in part, by providing a 3% set-aside for the training of older individuals. This is an important and strong component of the program.

In addition, the statement of purpose of the JTPA Act calls for the establishment of programs to ...afford job training to those individuals facing serious barriers to employment.

Section 124 of the JTPA Act authorizing a small categorical training program for older workers is in addition to the inclusion of older workers as one of the categories of individuals facing employment barriers. The extent to which age 55 plus trainees are involved in the general program is properly a State/Local matter determined by State/Local conditions. But, it is most important to know the extent to which the older worker is being served. Experience has taught us, the CETA program is a notable example, that older job seekers are frequently underserved because they may be viewed as harder to train and to place.

Retaining the breakout of age 55 plus participants will in no way burden or reduce the effectiveness of the program. It does however provide important factual information which does assist in determining how well the program is meeting the spirit as well as the letter of the law.

We respectfully and strongly urge that the annual status report retain the age 55 and over participant breakout.
Sincerely,

Dan Quirk
Executive Director

Enclosure

Senator GRASSLEY. Thank you. I mentioned in my introduction that your association has testified here many times. I believe you have been before my committee yourself.

Ms. FERGUSON. Yes, sir.

Senator GRASSLEY. Thank you. Ms. Schaeffer.

Ms. SCHAEFFER. Mr. Chairman, thank you for the invitation to appear before the subcommittee.

The National Alliance of Business recently completed a project with the Administration on Aging that was designed to promote older worker employment in the private sector. It had, three subgoals.

It was intended to educate private employers about the benefits of older workers, to assist private industry councils using the Job Training Partnership Act to serve older workers, and to promote new linkages between the aging network and the private sector.

The information and work from this project form the basis of our comments today, and I have brought Fran Rothstein with me because she knows that project very well, and we may be able to call upon some of the information that she has.

Some of the key observations that we concluded from that project are the following: First of all, services to older workers under JTPA started slowly, but have improved over time, especially as progrms have been implemented cooperatively with local service delivery areas and private industry councils.

Second, private employers are recognizing an increased need to address older worker training and employment issues.

Third, when programs are effective, businesses view JTPAA as an important tool to help them with their employment and training issues.

And fourth, the most effective programs are being operated in areas where coordination occurs.

I would like to elaborate on that last point for a moment. It seems obvious that the relatively small amount of 3 percent funds set aside to serve older workers does not meet the universe of need in that population group.

Greater potential for serving older workers exists when 3-percent funds are either used, or coordinated in conjunction with the larger 78 percent, or II-A pot, which is administered by the local service delivery areas.

This arrangement can be successful because it can draw local JTPA Program operators into serving this population and may leverage more funds from the larger allotments.

Also, the private industry councils have built institutional relationships with the private sector for job placement and it provides the 3 percent moneys more leverage in the private sector.

NAB believes that it is very important for all of us, in both the public and private sectors, to become aware of the demographic and economic trends that will affect our labor market. Some of these are mentioned in our testimony, and others have also mentioned them, before me.

And it is important to sort out what the needs are of both the worker and the workplace, and how these needs can be addressed.

We feel that JTPA has some important tools for helping to heighten the awareness and involvement of employers, and has already begun to do so.

What I would like to do next is talk about some of the specific issues and suggestions that came out of the seminars that we ran as a part of the AOA project that I mentioned.

First of all, as others have already mentioned, recruitment of older workers is a problem. Media campaigns about the JTPA Older Worker Program are needed not only to attract business, which is something people have often worried about, but also, to attract the older workers.

When we did a study in 1984, and surveyed 97 percent of the service-delivery areas in JTPA on their use of title A funds, we found that over 25 percent of the SDA's reported difficulties in attracting older workers to their programs.

Another point that came from our seminars was that employers want easy and convenient access to the programs. Specifically, they prefer to deal with the job developer who is knowledgeable about all sources of recruitment and training assistance, rather than simply an advocate for one particular program.

Coordinated marketing and job development is a must. Employers, for the most part, will not take the time to talk with staff from a myriad of public programs, nor do they want to try to sort out a variety of different eligibility requirements and program requirements.

From the business viewpoint it is clearly desirable to improve coordination between JTPA and title V. Another point from the seminars was that JTPA's relative flexibility is also of value to employers, and program operators need to be creative in what they offer private companies.

One of the most popular ideas, for example, among the businesses represented at our seminars, was using older workers as a temporary labor pool. Conceivably, JTPA can service temporary employment agencies for certain industries providing both training and placement. JTPA program operators can link up with what companies in their labor market are already doing, in effect, stretching their limited JTPA dollars with private 40 sector funds. Those companies that have already made a commitment to employ older people are often the easiest sell for JTPA job developers.

At a minimum, JTPA staff can use those companies as examples when promoting older worker employment with additional businesses.

Perhaps the most critical factor is that coordination among programs will be the key to their success. Coordination is important both from the private and public sector points of view.

While the various programs have different goals, employers have little time for multiple contacts or individual program details as I mentioned, but within the public sector as well, diminishing public resources make it more important tht similar functions among programs are carried out with a minimum of duplication and overlap.

It is unclear at this point, whether the 3-percent set-aside can be the catalyst to bring about improved coordination, but we believe it can be.

However, if its implementation serves only to establish an additional separate delivery system, then we think Congress should rethink the functions and objectives of the JTPA 3-percent set-aside, as well as the title V programs.

Ultimately, what JTPA has to offer is a track record of responsiveness to private sector needs. We are currently completing an analysis of a recent survey that we did of 300 of the Private Industry Council chairs across the country, and it is clear from having talked to them, at this point, that they believe that private sector involvement in JTPA has increased employer acceptance of participants and enhanced employer cooperation with JTPA.

Most respondents agreed that the business role has given the program credibility within the business community and that the outreach by PIC members and business leaders to their peers has improved the image of publicly funded employment programs.

This strength of JTPA is one from which virtually all other publicly funded employment and training programs can benefit.

The National Alliance of Business has only begun to scratch the surface of the issues associated with older worker employment through the work in our project.

We have learned, clearly, that no single solution can be legislated, but we are encouraged by the creativity and innovative programs already underway.

In a paper that we are about to release on labor market trends and the resulting policy issues between now and the year 2000, we note that the work force is aging, and that as a nation, we must be more creative in making better use of those who are older and want to work. We hope to continue our efforts to find solutions to this growing problem. I would be happy to answer any questions.

[The prepared statement of Ms. Schaeffer and responses to questions submitted by Senator Grassley follow:]

TESTIMONY

of the

NATIONAL ALLIANCE OF BUSINESS

Before the Subcommittee on Aging

of the

Committee on Labor and Human Resources

United States Senate

On Participation of Older Workers

In the Job Training Partnership Act

February 5, 1986

Mr. Chairman, thank you for the invitation to appear before this Subcommittee to express the views of the National Alliance of Business (NAB) on the effectiveness of the Job Training Partnerhsip Act's provisions for training and placing older workers.

My name is Esther F. Schaeffer, I am Vice President for Policy at NAB. With me is Frances R. Rothstein, who is Director of Research for the National Alliance of Business, and director of the

Alliance's recent project promoting older worker employment in the private sector.

The National Alliance of Business is an independent, business-led, non-profit organization with over seventeen years of experience helping poor, unemployed youth and adults obtain productive jobs in business and industry. Each Administration since NAB's founding in 1968 has turned to the Alliance to continue its lead in developing and maintaining the business community's commitment to resolving unemployment by building working partnerships among government, business, labor, education and community groups to create training and job opportunities for the jobless.

The Alliance recently completed a year-long project* on older

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* The project was funded by the Administration on Aging of the U.S. Department of Health and Human Services, in cooperation with the National Commission for Employment Policy. A special grant from Chevron-USA supported wide distribution of the "Invest in Experience" book.

The advisory group that helped develop the seminar included executives from the Travelers Companies, Hewlett-Packard, and the Center for Corporate Public Involvement funded by the American Council of Life Insurance and the Health Insurance Association of America, as well as representatives from national organizations serving the interests of the aging. Among those who offered comments on the "Invest in Experience" book were reviewers from Levi Strauss & Co., Hewlett-Packard, and Chevron. Other business viewpoints that contributed to the project formulation came from Poloraid Corporation, AT & T Communications, F.W. Woolworth Company and Equafax, Inc.

worker employment, designed to educate private employers about the benefits of older workers, to assist private industry councils using the Job Training Partnership Act to serve older workers, and to promote new linkages between the aging network and the private sector.

We collected considerable information about model programs that train and place older workers. We produced an analysis of issues and options for business, entitled "Invest in Experience: New Directions for an Aging Workforce," which we distributed widely among private industry council members and others with responsibility for human resource policy development and program implementation. Finally, we developed a one-day seminar for private industry council members and other business leaders on older worker employment issues.[1] The seminars were attended by several hundred business people across the country and offered an important opportunity for business to explore options that would improve employment prospects for older workers.

The information and work from this project form the basis of our comments today. Some of our key observations include the following:

- Services to older workers under JTPA started slowly but have improved over time, especially as programs have been implemented cooperatively with local service delivery areas and private industry councils.

- Private employers are recognizing an increased need to address older worker training and employment issues.

- When programs are effective, businesses view JTPA as an important tool to help them with these issues.

- The most effective programs are being operated in areas where coordination occurs.

The Job Training Partnership Act not only specifies older workers, with employment barriers, as an eligible target group to be served by local service delivery areas, but also sets aside special funding at the state level for training programs. It seems obvious that the relatively small amount of 3 percent funds set aside to serve older workers does not meet the universe of need in that population group. However, greater potential for serving older workers exists when 3 percent funds are either used or coordinated in conjunction with the larger 78 percent funds administered by local service delivery areas. This arrangement can be successful because it can draw local program operators into serving this population and may leverage more funds from the larger allotments. Also, it is the local private industry councils that have built institutional relationships with the private sector for job placement.

States have used the 3 percent funds in different ways, but some allocate them to local areas so that they are tied into this

planning process. Because the older worker setaside was the smallest pot of money states had to administer under JTPA, it was in many cases the last program area to get substantial attention or guidance from states. We believe that the 3 percent funds will be most useful if they can be used to heighten private industry council awareness of the problems of older workers and the solutions so that they are prompted to devote more of their other JTPA resources to older workers.

Changing Business Attitudes Toward Older Workers

The federal initiative in JTPA dovetails with the increased interest of the business community in older workers. In contrast to the mandatory retirement and "early out" policies promoted in recent years, many businesses are becoming aware of demographic and economic changes that will increase the importance of older workers in the labor force.

The work force as a whole is aging. The median age of the work force is rising. Over the next fourteen years, the baby boom generation will have completed its entry into the labor force, and the number of youth available to enter the labor force will have declined. This raises the prospect of a higher demand for older workers because of labor shortages. It is also clear that increases in the total number of older people will result in growing numbers interested in maintaining some connection to the labor force.

It is important for all of us, in both the public and private sectors, to become aware of these trends and to sort out what the needs of both the worker and work place will be and how these needs can be addressed. As we will point out in our testimony, the Job Training Partnership Act has some important tools for helping to heighten the awareness and involvement of employers and has begun to do so.

There are many factors that should encourage employers to review how they can use older workers. Some employers have, but it must be admitted that their numbers are small.

The shift from a traditional manufacturing economic base toward high-tech manufacturing, service, and information-based industries is resulting in a need for workers with higher skill levels and with the ability to adapt to change. Recognizing the increase in the older worker labor pool, many businesses are beginning to see the Job Training Partnership Act as one tool that can help train older workers, upgrade their skills, and increase adaptability to change.

A great number of older people are interested in working past the traditional retirement age. A recent Conference Board survey of 363 companies concluded that "a slowing of the downtrend in labor force participation of people aged 60 or more appears to be happening, . . . after a dramatic quarter-of-a-century decline in such participation."

Because of these demographic and economic changes, businesses are already seeking ways to retain valued employees in the demand occupations. They also view older workers as a partial solution to the growing need for flexibility. As companies try to avoid continuous swings in the size of their work forces, some are using temporaries, part-time workers, job-sharing, and other flexible work arrangements, which are a good match for some older workers who are not seeking full-time permanent work.

Older workers are also valued by employers as role models for younger workers, and have demonstrated an ability to help stabilize the younger work force.

As a larger proportion of the population ages, companies are vying for older consumers; industries such as tourism that are seeking the older market's discretionary income find that older people visible in their work force can help attract consumers from that age group.

Finally, the National Commission for Employment Policy has found that one third of the companies that actively recruit or retain older workers do so in response to government policies such as the Age Discrimination in Employment Act, the Employment Retirement Income Security Act, or state legislation eliminating mandatory retirement.

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Business Involvement in the JTPA 3% Program

The business community has a stake in using older workers more effectively. JTPA can be important in showing the way, particularly when 3 percent funds are used to leverage other JTPA funds and funds from other sources. The Alliance has gathered many examples of business participation in JTPA programs for older workers. I will illustrate just two which exemplify successful public/private partnership designs for training.

One is the Older Kansans Employment Program (OKEP), run by the North Central/Flint Hills Area Agency on Aging. This program has been able to rally wide business support. It is funded by a state appropriation as well as a JTPA older worker setaside grant. OKEP has an admirable track record, having found jobs for 92 percent of its clients at a cost ranging from $215 for state-funded participants (who are not necessarily economically disadvantaged) to $1293 for those eligible for JTPA funds.

Beyond those enviable results, however, the element that helped the Older Kansans Employment Program win the National Alliance of Business' 1985 Distinguished Performance Award was its high level of business involvement. Led by WalMart's in-kind public relations contributions, many other companies joined with a strong employer outreach effort that concentrates on publicizing the program and destroying the employer sterotyps that can undermine older workers' job-seeking efforts. These tacics include

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a bi-monthly newsletter sent to some 700 area employers, regular press coverage, contacts with business organizations and service clubs, and employer luncheons.

Special activities were added like last year's highly publicized "Employ the Older Worker Week," in which businesses that had hired program graduates gained favorable publicity. The Older Kansans Employment Program has capitalized on the maxim, "business listens to business," and has drafted satisfied employers to be active promoters of the program among their peers.

Another nationally recognized program is Rochester, New York's Gaining Resources for Older Workers (GROW). Because it draws upon a variety of other funding sources besides the 3% setaside, GROW can serve virtually any older person who walks through its doors. This is advantageous to GROW's business clients, because the wider pool of potential employees increases the likelihood that employer needs will be met. GROW works very closely with area businesses, determining up front what skills they need and what qualities they are seeking in new hires. As a result, GROW staff can work with applicants to increase their chances of landing and retaining private sector jobs. GROW also rewards its best business clients, annually recognizing an Employer of the Year -- a company outstanding for its commitment to interviewing and hiring older workers.

What these successful programs demonstrate is that employers need to be educated about the value of older workers, and that they listen to the experiences of their peers. It is important to maintain the Job Training Partnership Act's ability to generate favorable public relations — both about the value of older workers and about the commitment of leading companies to employing them.

Program Issues and Suggestions

The experiences of these and other programs discussed at our seminars raised several issues and offered suggestions for resolving them. Media campaigns about the JTPA older worker program are needed not only to attract business but to attract older workers. Studies have shown that recruitment of older people into 3% programs is a problem for program operators. In 1984, the National Alliance of Business' survey of 97% of the JTPA service delivery areas found that over 25 percent of the SDAs reported difficulties in attracting older people to their programs.

There are several reasons for this. First, many older people are unaware that employers will consider them favorably. Second, older people tend to be more isolated that the rest of the population, and often have more difficulty learning of opportunities for job training and placement. And third, older people who are out of work tend to be more discouraged than their younger counterparts, and may need special encouragement to move back

into the job market. Devoting a portion of the 3% funds to publicizing the program can help counter recruitment difficulties.

Eligibility is another issue that affects employer satisfaction with the program. Right now, the vast majority of states do not count income received from the Title V Older Americans Act program when determining JTPA eligibility. A handful of states do not count Social Security income as well. Around 50% of the states count older workers as a "family of one" for income calculation purposes. One reason for the admirable track record of the Rochester GROW program referenced earlier is its ability to fill most employer job orders well. Keeping eligibility relatively flexible is helpful, at least over the short term, in generating employer support for the program and in keeping client slots filled.

We learned in the seminars that employers want easy and convenient access to the programs. Specifically, they prefer to deal with a job developer who is knowledgeable about all sources of recruitment and training assistance, rather than simply an advocate for one particular program. Coordinated marketing and job development is a must. Employers for the most part will not take the time to talk with staff from a myriad of public programs.

From the business viewpoint, it is clearly desirable to improve coordination between JTPA and the Title V Older Americans Act program. Certainly joint marketing and job development should be strongly encouraged.

JTPA's relative flexibility is also of value to employers, and program operators need to be creative in what they offer private companies. One of the most popular ideas among the businesses represented at our seminars was using older workers as a temporary labor pool. There are already private sector models for this. Chicago's Bankers Life and Casualty set up its own temporary service and saved $10,000 in agency fees in its first year of operation. Continental Illinois Bank and Trust recruited retirees from other financial institutions to form its Ready Work Force in the late 1960's, creating a pool of available temporary workers with virtually no orientation or training needs. Conceivably, JTPA 3% programs could serve as temporary employment agencies for specific industry segments, providing both the necessary training and the ongoing placement assistance.

JTPA program operators can link up with what companies in their labor market area are already doing, in effect stretching their limited JTPA dollars with private sector funds. Those companies that have already made a commitment to employ older people are often the easiest "sell" for JTPA job developers; at a minimum, JTPA staff can use those companies as examples when promoting older worker employment with additional businesses.

Relationships Between JTPA's 3% Program and Title V of the Older Americans Act

Coordination among programs will be key to their success. Coordination is important both from the private and public sector points of view. While the various programs have distinct goals, employers have little time for multiple contacts or individual program details. Within the the public sector, diminishing public resources make it more important that similar functions among programs are carried out with minimum duplication and overlap. It is unclear, at this point, whether the 3 percent set aside can be the catalyst to bring about improved coordination, but we believe it can be. However, if its implementation serves only to establish an additional, separate delivery system, then Congress should re-think the functions and objectives of JTPA 3 percent and Title V programs.

The basic goals of Title V and JTPA's 3% program do differ, and it must be recognized that only one of the Title V goals echoes JTPA. The JTPA 3% program has one primary emphasis, as stated in the law: "training and placement of older individuals in employment opportunities with private business concerns." To achieve that goal, Governors are encouraged to fund programs involving training for jobs in growth industries and jobs reflecting the use of new technological skills.

Title V of the Older Americans Act, on the other hand, serves three purposes: providing part-time community service employment opportunities, income support, and training for economically disadvantaged older adults. The Title V program, therefore, cannot utilize JTPA's single purpose, private sector placements approach without sacrificing performance in the community service and income support areas.

Assuming no change in the goals for the two programs, there are still a number of areas in which JTPA/Title V coordination is beneficial, both to older people and the private sector. As listed in the excellent "Practitioner's Guide for Training Older Workers" issued by the National Commission for Employment Policy, these proven areas of coordination include: joint planning sessions, joint recruitment and assessment, joint planning for individual clients with joint referral as appropriate, joint private sector job development and placement, joint planning to ensure maximum geographic coverge especially in rural areas, cross-referrals for training and job search, joint training for program staffs, and development of a comprehensive network of service providers for older people.

Ultimately, what JTPA has to offer is a track record of responsiveness to private sector needs. Our preliminary findings from a survey NAB has just completed indicates that the Job Training Partnership system has made laudable progress in generating employer support for and involvement in publicly funded

job training programs, largely by its responsiveness to private sector needs. The National Alliance of Business recently surveyed over 300 private industry council chairs, 90% of whom said that private sector involvement in JTPA has increased employer acceptance of participants and enhanced employer cooperation with JTPA. Most respondents agreed that the business role in JTPA had given the program credibility within the business community, and that the outreach by PIC members and business leaders to their peers has improved the image of publicly funded employment programs. This strength of JTPA is one from which virtually all other publicly funded employment and training programs can benefit, through a unified marketing strategy. More information on the private sector role in JTPA will be released in April after all the data are analyzed.

The National Alliance of Business has only begun to scratch the surface of the issues associated with older worker employment through the work on our project. We have learned that no single solution can be legislated, but we are encouraged by the creativity and innovative programs already underway. In a paper that we are about to release, on labor market trends and the resulting policy issues between now and the year 2000, we note that the work force is aging and as a nation we must be more creative in making better use of those who are older and want to work. We hope to continue our efforts to find solutions to this growing problem.

I would be happy to answer any questions you may have.

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Chairman
John D. Ong

President
William H. Kolberg

Board of Directors

February 25, 1986

Honorable Charles E. Grassley
Chairman
Subcommittee on Aging
Committee on Labor and Human Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

Attached is our response to follow-up questions you submitted in writing following our testimony at your Subcommittee's hearing on job training for older workers under the federal Job Training Partnership Act.

I appreciate the opportunity to respond further to the questions of the Subcommittee. I am also sending some additional information from NAB's computerized information clearinghouse on older worker programs which is referenced in the attached questions and answers to illustrate the resources available.

I look forward to working with you and other Subcommittee members on these issues.

With best wishes,

Sincerely,

Esther F. Schaeffer

Esther F. Schaeffer
Vice President
Policy

EFS/tal
Attachments

cc: Eric Hansmeier
Penny Bogas

Prepared by:
Policy Department
National Alliance of Business
February 25, 1986

RESPONSE TO WRITTEN QUESTIONS
FROM THE
SUBCOMMITTEE ON AGING
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

(The following is in response to the Subcommittee on Aging's request subsequent to testimony of the National Alliance of Business by Esther F. Schaeffer, Vice President, Policy, and Frances R. Rothstein, Director of Research, at a February 5, 1986, hearing on older worker training programs under the Job Training Partnership Act).

QUESTION: Section 121 of JTPA requires a Governor's Coordination and Special Services Plan. Has any systematic analysis of these plans been undertaken? If so, can you tell if these plans give sufficient emphasis or attention to helping older workers?

NAB Response: States submit these plans only to the Department of Labor which has the one complete file on them, short of individual initiative to gather a copy from each state. To our knowledge, the Department has reviewed each plan only to assure compliance with the requirements of the Act. In addition, the Department conducts annual compliance reviews, through its regional offices, of state administration, fiscal procedures, performance, and compliance with provisions for the set-aside programs like older worker training.

No one else has undertaken a systemmatic review of these plans, although the National Governors' Association prepared a brief analysis, by survey, in May 1984, entitled "Analysis of Coordination Criteria in the Governor's Coordination and Special Services Plan." Their report notes that all state plans discussed coordination activities dealing with the 3 percent set-aside funds. The report does not assess the substance or content of the 3 percent funds specifically.

We agree that a national assessment would be useful. We know that the plans vary substantially from state to state in terms of quality and content, so it would be difficult to aggregate them nationally. Governors are required to submit their coordination and special services plans to the U.S. Department of Labor prior to each two-year planning cycle. A new two-year plan will be due beginning July 1, 1986. This could provide an appropriate opportunity for the Subcommittee to request such an assessment from the Department.

The plans describe the State's intended use of older worker funds, and should outline specific criteria on how local service delivery areas (SDAs) can coordinate with the 3 percent programs. The State cannot require or specify a certain level of services for older workers in the SDAs, because section 121(b)(1) of the statute specifically prohibits the state from interfering with local discretion over choices and priorities among eligible clients. To the degree that 3 percent funds are allocated to local service

delivery areas, the state can and should specify criteria for their use. In some states, the 3 percent funds are required to be coordinated with other program activities for adult training funded with the 78 percent grant funds received by SDAs.

QUESTION: Have any set of recommendations been developed by the National Alliance of Business for developing these plans in such a way as to maximize older worker participation in the program?

NAB Response: We have not developed any older worker policy options specifically for the Governors' two-year plans. However, when we completed our project last year with the Administration on Aging, we provided information to states on effective program models for older worker training including information on coordination among various programs and services. We would agree that there is a need to help states look at fresh policy options. In 1983, during the implementation of JTPA, the Alliance drafted policy options for States to review in developing overall JTPA administrative and service delivery structures. The recommendations focused on general options available for devising a comprehensive statewide employment and training policy by coordinating education, economic development, the Employment Service, vocational rehabilitation, welfare services, and other employment-related activities.

We want to point out, however, that coordination options are difficult to generalize for the States. The Governor has complete discretion on how best to use the 3 percent funds for older worker training. Each state can, and probably should, do it differently based on their own institutional resources, economic circumstances, and population characteristics. This discretion includes how funds are distributed and used. Some states distribute funds to local service delivery areas. Others use state agencies on aging or affiliates of aging network organizations. Some SDAs have no 3 percent funds and cannot benefit from the linkages this funding might provide with the aging network.

The National Governors' Assocation is currently conducting a conference on the 3 percent program to examine ways of overcoming existing problems and to improve coordination. This session may help all of the national organizations working with JTPA to identify specific technical assistance needs among the states.

QUESTION: Should program requirements be changed so that more older workers are served by it? As I noted to the first panel, a witness before the House Select Committee on Aging hearing on JTPA suggested that 20 percent be set-aside from title II for older workers. Would you agree or disagree with this and what are the reasons for your position?

NAB Response: We do not believe that program requirements need to be changed in this manner. Proposing to increase the set-aside to 20 percent would raise significant policy issues for JTPA. Federal funding for title II-A has been reduced substantially since the Act was first implemented in 1983. With the threat of further cuts and the reality of limited funds, States and local SDAs must have the flexibility to focus assistance on the most appropriate priority needs in their population. Federal funding for all of title II-A is enough to serve only 3 to 6 percent of the eligible economically disadvantaged population across the country. Difficult choices would have to be made.

Generally the population served by JTPA are those individuals who without special assistance will never make it into the competitive job market. Increasing set-asides in a limited grant of funds raises a difficult federal policy issue related to job training: should the funds be directed away from disadvantaged or minority youth and welfare recipients to serve older workers when we know that youth potentially can impose a longer-term drain on public resources and a critical skill shortage in the future?

A higher percentage of older workers have some work history compared to disadvantaged youth. In many older worker employment programs, part-time employment is a more credible option for them, without losing their social security benefits, than for youth with no work history, or other equally disadvantaged population groups. We do not minimize the critical needs of older workers, by any means, but merely point out the difficult choices such a change could raise. In our view, such choices are more appropriately made at the state and local level.

QUESTION: As I understand it, the Department of Labor has not thought it advisable to develop performance standards for the older worker portion of JTPA on the grounds that not enough is known at present to permit this. JTPA does permit states to develop performance standards. Do you think that nationwide performance standards *can* be developed for the 3 percent set aside, and do you think that they *should* be developed?

NAB Response: National performance standards could be developed over time. As the Department notes, the necessary information about older worker programs is not available under current reporting requirements. The standards would have to be developed using sound data from program experience The standards, to be effective and flexible enough to account for various local economies, would have to take into account program data that is distinctly related to the individuals served. The Department has submitted a proposal to OMB that would begin to gather information on 3 percent expenditures, participant costs, and numbers of persons served. This information may be enough to devise standards later. Performance standards already apply to older workers served under the 78 percent funds administered by SDAs.

On the other hand, if standards were applied to the 3 percent programs, it might discourage experimentation or risk-taking in new approaches to older worker training. As we noted in our testimony, some states use the 3 percent funds to "leverage" the use of other funds in SDAs (the 78 percent funds) for older worker training. The 3 percent funds can serve an important purpose by maintaining their flexibility for trying creative new approaches to training. To achieve better coordination between JTPA and the Older Americans Act title V program, some creative designs might be necessary. Performance standards on the 3 percent funds could preclude such experimentation.

QUESTION: Should performance standards for the 3 percent set-aside be the same as the title II-A performance standards, or should they be modified in any way to reflect special problems in training older workers?

NAB Response: Performance standards would have to be different to reflect the special problems of training older workers for private sector employment in a competitive and rapidly changing labor market. Without adequate historical data on program services for this population group, it is difficult to foresee what kinds of modifications are appropriate. Standards should take into account, for example, the higher number of

part-time job placements that might be appropriate for older workers. State and local adjustments to the national standards might be needed to account for the types of jobs trained for, the costs of training for this client group, and the types of jobs and industries in the local labor market.

QUESTION: Do you have any reason to think that the availability of the 3 percent set-aside tends to discourage or hinder efforts to involve older workers in some of the other JTPA programs?

NAB Response: We have no hard data to offer but can speculate from our experience in working with JTPA. Generally, the availability of the 3 percent funds does not hinder efforts to serve older workers at either the state or local level. Sometimes how funds are allotted or who administers them will have some impact on how well services are coordinated and delivered.

Each service delivery area administering the 78 percent funds has discretion over who will be served and the priorities among client groups in their communities. If the SDA has some of the 3 percent funds, it will recruit and serve older workers and perhaps use other title II-A funds to supplement services. If a SDA does not have 3 percent funds from the State, it would serve older workers under the 78 percent grant, but probably would not establish special recruitment for them outside of the normal recruitment procedures for other adults unless older workers are identified as a priority group in the local job training plan. From our survey of the JTPA system in 1984, we found that about 30 SDAs made older workers a priority in their plans.

If 3 percent funds are allotted by states to area agencies on aging or some community-based organization focused exclusively on the needs of older workers, SDAs will often refer older applicants to those agencies. The one potential problem in this type of an arrangement is that some older worker agencies are not focused on private sector job placements as much as a SDA might be. One advantage of the SDAs who administer part of the 3 percent funds is their network with the private sector. Because the methods of distributing 3 percent funds vary so much, it is difficult to aggregate data on the barriers or advantages each method has on program delivery.

QUESTION: Does NAB's recommendation that the 3 percent set-aside be used mainly as a vehicle for influencing the other programs in the Act imply that you think that there is a danger that a separate system is developing within JTPA for older workers and that this draws efforts away from integrating older workers in the other parts of the program?

NAB Response: We have no data to suggest that 3 percent funds hinder integration or coordination with other JTPA programs. However, in our view, the impact of the 3 percent funds on the numbers and quality of older worker training could be substantially enhanced if greater efforts were made to coordinate with the SDA programs, where most of the JTPA funds are and where most of the private sector-oriented training occurs. If the 3 percent funds are administered by the State with no effective dissemination of information to the SDAs about the lessons learned in training older workers, it is possible that the state administration of the program can be viewed by the SDAs as a "separate" system outside of their primary responsibilities. States should

share such information to improve services provided by SDAs through the 78 percent funds.

QUESTION: The Department of Labor can undertake initiatives under Part D of title IV of the Act. Could you suggest activities that might be appropriate to undertake under this authority? For instance, might this be an appropriate mechanism through which to establish a system to enable states to share information that would help them to more effectively serve older workers?

NAB Response: The authority to fund demonstration programs, provide special support, technical assistance, and information resources under title IV-D is an important responsibility of the Department. The experience gathered from pilot projects is extremely important if programs are to be improved. But, past experience shows that the information learned is not often disseminated to the delivery system. We agree fully that the information exchange function could be enhanced substantially with the Department's assistance.

Even without pilot projects, there is a great need to exchange program information among states and SDAs conducting the programs. What one area finds to be a significant problem may have already been solved in another jurisdiction. Older worker programs can benefit also from the generic solutions to problems in other JTPA program areas.

NAB and the Department of Labor recognized this need in 1979, and with the help of Department funds, we have established and continue to operate a computerized information clearinghouse on job training with a special focus on JTPA. Many of the successful models, marketing materials, research studies, technical assistance manuals, and sample proposals (RFPs), already on file, relate to older worker training. Every month, we have numerous inquiries seeking program information or help in solving problems. To illustrate the kinds of information we have available, I am attaching a few of the entries from our data base. We have first hand experience with the information needs in the JTPA system, so it is easy to recommend that the Department use more discretionary funds to strengthen and upgrade information sharing systems.

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Database Search

A Research Service of the NAB Clearinghouse

ACCESSION NUMBER: P000440; Program Leads File; Clearinghouse; April 24, 1984; Updated November 1985

TITLE: JTPA and Arkansas Initiatives for Older Workers

LOCATION: Arkansas

PROGRAM INFORMATION: JTPA and Arkansas Initiatives for Older Workers, Little Rock, AR; 11-83/Present; Funding: JTPA 3% Set Aside; 10-86 (review)

PROGRAM OPERATOR: Arkansas ABLE - Non-profit Organization

CONTACT PERSON: Haynes, Phyllis, Executive Director, Arkansas ABLE, 519 E. Capitol Ave., Little Rock, AR, 72202, 501-374-1318

ABSTRACT: The JTPA 3% set aside was awarded to Arkansas ABLE, which provides employment opportunities to persons 55 and over. ABLE coordinates with the Arkansas Association of Area Agencies on Aging (AAA), a provider of a wide range of older worker services including placement service to approximately 800 older workers under Title V (Older Americans Act). The Arkansas Office of Aging and Adult Services serves on ABLE's advisory board, making this a 3 way partnership. 4 activities pinpointed for use of the JTPA funds are: a statewide public awareness campaign on the value of older workers to employers; a beefing up of employment services; development of training programs including classroom instruction, on-the-job training and job clubs and; organized coordination of services among education, government, business and other non-profit organizations. 20 employment specialists will be hired. Funds to 8 AAA offices will be distributed using a formula based on percentages of disadvantaged elderly/area. (Source: phone interview; NASUA Report).

DESCRIPTORS: Older Workers; JTPA Funded Projects; Interagency Coordination

IDENTIFIERS: JTPA 3% Set Aside

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Database Search

A Research Service of the NAB Clearinghouse

ACCESSION NUMBER: P000200; Program Leads File; Clearinghouse; April 13, 1983; Updated December 1985

TITLE: Intergenerational Day Care and Training Program

LOCATION: Pittsfield, Massachusetts

Berkshire County, Massachusetts

PROGRAM INFORMATION: Intergenerational Day Care and Training Program, Pittsfield, MA; 1981/Present; Funding: JTPA - 3% Set Aside, Public Funds, Child Care of the Berkshires - in-kind match $12,500; Placement Rate 100%; 11-86 (review)

PROGRAM OPERATOR: Child Care of the Berkshires - Non-profit Corporation

CONTACT PERSON: Morris, Bill, Director, Administration, Berkshire Training and Employment Program, 400 Columbus Ave., Pittsfield, MA, 02101, 413-499-2220

Nemitz-Carlson, Ann, Child Care of the Berkshires, State Road, North Adams, MA, 01247, 413-663-6593

ABSTRACT: The Intergenerational Day Care and Training Program was created to give retraining and permanent part-time employment to JTPA eligible workers (55+) in Berkshire County. The program also addresses the need for having more day care facilities for working parents. Three weeks training in child care practices is given to 12 senior citizens at a time at North Adams State College. Successful participants are then employed as Child Care Aides. They are initially paid minimum wage for 5 hour shifts and after 33 weeks are hired at an annual salary of $7,500. (Source: letter; Employment Program Outline.)

- more -

DESCRIPTORS: Older Workers; Retraining; Child Care Occupations; JTPA Funded Projects; Women; Rural Employment Programsnded Training and

IDENTIFIERS: JTPA 3% Set Aside

COMPANY INVOLVEMENT: Child Care of the Berkshires - Space. Staff

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Database Search

A Research Service of the NAB Clearinghouse

ACCESSION NUMBER: R002413; Reference File; Clearinghouse; June 19, 1985

DOCUMENT TYPE: MON

AUTHOR: Lester, Brenda

CORPORATE AUTHOR: National Commission for Employment Policy

TITLE: Practitioner's Guide for Training Older Workers

CITATION: 213p.; National Commission for Employment Policy, 1522 K Street, NW, Suite 300, Washington, DC 20005

ABSTRACT: This guide is intended to help practitioners design, implement, and evaluate training programs for older workers under Section 124 of the Job Training Partnership Act (JTPA). Part One presents an overview of JTPA and its provisions regarding services to older workers. Part Two, program planning and development, discusses 4 steps in the design of a training program for older workers, first from the perspective of the older workers (chapter 1) and then from the perspective of employers (chapter 2). Part Three, program operation, outlines the various components of a JTPA program for recruiting, training, and placing older workers. Part Four discusses the ways that program evaluation can improve program operations and the data needed to assess a program's effectiveness. Evaluation is also examined from the perspective of the participants, employers, and the community. The document is written in handbook style with a checklist at the end of each chapter. Suggestions for practitioners are marked throughout the guide.

- more -

DESCRIPTORS: Older Workers; JTPA Implementation; Program Evaluation; Administrative Materials; JTPA Title II Funded Projects; JTPA Title III Funded Projects; State Administered Programs; JTPA Title IV Funded Projects

IDENTIFIERS: JTPA 3% Set Aside; Public Private Partnerships

Showcase

Senior Jobs—A Model for the Future

"America is not greening, it's greying," says Robert D. Johnston, executive director of Florida's Broward Employment and Training Administration (BETA). This demographic shift is bringing new challenges to the nation's job training system.

According to studies by the U.S. Department of Labor's Bureau of Labor Statistics, the population of Americans over age 55 is growing twice as fast as other age groups. Other Bureau research predicts a severe labor shortage in the next 25 years as people live longer, retire earlier, and have fewer children to replace them in the work force.

Says "Skip" Johnston, "In order to provide enough workers under any reasonable scenario of economic growth, employers are either going to have to import millions of workers or use the two groups of people that are severely underutilized in this country: the first is the over-55 worker; the second is the young and middle-aged underclass, or economically disadvantaged.

"The easiest thing to do is to put the first group back to work," he continues. Older workers "already have the work ethic and years of experience. They are very capable of working, but in our youth-oriented society they are retiring early."

Emphasizing Training For Older Workers

Recognizing the need to encourage older workers to re-enter the job market, Congress used the Job Training Partnership Act to place a new emphasis on older workers in federally-funded employment initiatives. It mandated that 3 percent of each state's allocation be used—at the governor's discretion—for older worker programs.

"The Department of Labor was used to spending dollars on training young people," explains Johnston. "CETA had practically no set-aside for older workers. The philosophy was that you invest in someone who'll give you a return of 40 years in the labor market as opposed to just three or four years."

In order to prepare for the shift, last year the Department of Labor gave BETA and the BETA Industry Council (the county's private industry council) a $285,000 demonstration grant to research, develop and implement a model program for older workers.

Broward County, which includes Ft. Lauderdale, was a natural choice for the project. With 15 percent of its population aged 55 or older, "We're where the rest of the country is going to be in 10 years," says Denise Barndt, BETA's director of operations. Additionally, BETA had done a great deal of research and development, and this experience was vital to the type of program the labor department envisioned.

Besides a training component, the department wanted the program to include a thorough survey of local businesses to determine their attitudes toward older workers, along with an extensive publicity campaign to convince employers of the value of hiring these workers. "It required all kinds of research and tracking," Barndt says. "We're real used to that kind of thing."

Senior Jobs

BETA and the council met the department's requirements with the Senior Jobs project, which began with the formation of a Senior Jobs Task Force composed of representatives from the council, local senior citizens' agencies, the Florida State Employment Service, and the financial, health care, and skilled trades industries. "They were the ones with the expertise to guide us in what we were doing," explains Johnston.

Guided by the task force, project staff then selected 500 likely employers of older workers for its survey. "We knew a lot of senior workers would want to work part-time so as not to hurt their Social Security benefits," says Johnston, "so we had to target employers who had peak load periods and relied on part-time or flexitime schedules," such as banks, health care facilities and temporary help agencies.

The survey, which was conducted by phone, accomplished two goals. First, it measured employers' attitudes toward older workers, "which allowed us to plan and develop our marketing campaign," Barndt says. Second, it revealed industries with job openings, "which allowed us to design the training."

On the first score, BETA found that many employers thought older workers were less reliable, more likely to miss work, and more costly to insure than younger employees. But BETA had the facts to refute these beliefs and designed a sweeping publicity campaign to convey its message. The effort included mailing brochures to 3,600 local firms, mass distribution of a quarterly newsletter, development of an audio-visual presentation, radio and television spots, billboard advertisements, cold calls on prospective employers, a speakers' bureau, job hotline, and monthly luncheon seminars for employers—each targeted at a specific industry.

While BETA paid for most of this, Barndt says, "We got a lot of support from the community. One company donated the lunch at a seminar. A billboard company gave us 40 billboards. We got free use of the production facility where we made the audio-visual tape. And we got a lot of good media coverage simply because of the voting power of senior citizens here. It made good news."

A Range of Services

While the publicity campaign was being launched, the Senior Jobs staff developed a range of services for senior workers. These included pre-employment counseling and career update workshops, on-the-job training, direct placement and skills training. The Broward County

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55—"It's the speed limit—not the age limit," proclaims billboard in Broward County, Florida.

Florida Council Uses Bonuses to Draw New Trainees

The Broward Employment and Training Administration and its Industry Council are improving lagging job training enrollments by paying finders' fees as high as $250 to trainees who bring new people into any BETA program.

"Like every program in the country, we've had trouble recruiting under the Job Training Partnership Act because there are no stipends," explains operations director Denise Barndt. So at a council member's suggestion, BETA instituted its Buddy System. "We took a tool that private industry uses to recruit new people," she says. "It will pay a bounty to an employee who convinces another person to join the firm."

Before finders can collect their fee, Barndt says recruits must either successfully complete training or be hired into training-related positions. Finders also must remain in good standing within their respective programs.

The size of the bounty is based on the length of the recruit's training program. Payments begin at $100 for programs under three months long and reach a maximum of $250. Barndt says the fee is considered a training expense and so is allowed under the job training law.

"We just started the Buddy System in January, so we don't have any final figures on how much of a difference it will make," she adds. "But we already have about 40 people who are Buddies, so we are seeing results."

Showcase

Cincinnati Bank Pioneers Peak Time Pay for Workers

The banking industry has undergone a revolution during the last few years, in large part due to the rapid introduction of electronic banking. Americans now flock to automatic teller machines for a large percentage of their banking transactions. While customers still opt for personal service, often it is for more complicated activities, such as planning individual retirement accounts or seeking investment advice.

These changes, says Stuart J. Mahlin, director of personnel for The Provident Bank in Cincinnati, Ohio, require banks to have a more stable, highly-trained workforce to handle complex transactions, but with machines taking over many of the simple tasks, overstaffing has become a common problem.

Provident, for example, faced the prospect of instituting layoffs in early 1983. Instead, to encourage more stability in the bank's labor force, Mahlin decided to make working for a few hours a week worthwhile by offering premium wages. "We established a new class of teller job—peak time—with pay rates that are extraordinary in banking—$6.60 to $10.83 per hour" for work weeks of 14 to 18 hours.

Banks have always used a high percentage of part-time employees and tellers usually earn low wages. But what sets Provident apart is the high pay scale for "peak time" hours.

"Typically, part-timers are looking for full-time work," says Mahlin. Many job applicants are students, who mark time at a bank while looking for higher paying more permanent jobs. As a result he says, "our turnover rate among part-timers was 40 percent. At other banks it's as high as 80 percent. When you have that kind of turnover, you have horrible training costs," as well as productivity problems.

"Peak time" tellers work when the bank needs them most, and usually report to work only two or three times each week for four or five hour shifts. "This is de facto job sharing and flextime," notes Mahlin. Although non-traditional working arrangements are usually not popular with senior management in many businesses, in this case the connection between staffing schedules and business needs was obvious to everyone.

Peak Time Pay-off

Paying more for less has really paid off for Provident. More than 90,000 hours of employee time was eliminated from the branch system, reducing payroll costs as well as cutting administrative and supervisory time.

"Peak time" has virtually eliminated turnover. "In 11 months," says Mahlin, "we've lost five people. It's non-turnover. Another thing we didn't anticipate—we have almost no absence for illness among 'peak time' employees."

There was also a major change in the applicant pool. "We pay upfront for the talent and skill ability that we want. It's given us a different reputation in our market. We're changing the status of the teller job. And we see a marked difference in the age of applicants. Most new employees are in their 30s and 40s; a few are in their 50s. And more men are applying for jobs."

Provident began its "peak time" experiment in March 1983. 50 percent of the employees were full-time, 30 percent were on benefit-eligible hourly rates and 20 percent were "peak time" tellers. Now 50 percent are "peak time," 20 percent are full-time and 30 percent are hourly.

A Sensible Alternative

One drawback is that Provident's "peak time" employees give up benefits. While this type of job might not be practical for someone without another source of health insurance, it's a sensible arrangement for many other workers: retirees supplementing Social Security or pension income; displaced homemakers re-entering the job market and some disabled workers.

"This concept has all kinds of possibilities," says Mahlin. "Peak time will work in a lot of other industries—for older workers or people who are wheelchair-bound, for example, and don't want to or can't work full time.

"Telemarketing is one of the fastest growing businesses in the country and four hours is the ideal shift length for that kind of work," he adds. "Peak time employment is perfect given the time differences."

Although Mahlin does not mention it specifically, "peak time" pay also is an ideal way to encourage highly-skilled older workers to stay in the labor force past normal retirement age. It offers a workable model for phased retirement.

Provident's experiment is clearly an idea whose time has come. More than 400 banks and savings and loan associations have asked for more information about the program. "We really struck a nerve," says Mahlin.

Senior Jobs

Continued from page 6

Schools' Vocational, Technical and Adult Education program provided skill training programs for nurse and dietetic assistants, and auto maintenance mechanics. These programs existed prior to Senior Jobs, but Barndt says teachers had to make some modifications.

"The instructors had to warm up differently. The trainees hadn't been in school for 40 years, so during the first few weeks they had to get used to taking tests again and that sort of thing. Once they were acclimated to the school setting, they assimilated information very quickly."

When the pilot program ended in September 1983, says Barndt, it had served 144 senior workers. "Eighty-five percent of them got jobs paying an average wage of $4.80 an hour."

There were cost savings on both sides of the table.

Says Johnston, "We've had $1.24 return for every $1 put into the program, first from reductions in welfare payments, and second from new federal income taxes that have been generated."

Many employers fared as well, adds Barndt. "The banks loved the program. They were used to paying $9 an hour to temporary help during their peak times. They found that having permanent part-time workers during their heavy time substantially reduced their costs."

One bank was especially pleased with the program's pre-screening. Explains Irvin Lader, vice president of employment programs at Ft. Lauderdale's Landmark Bank, "Our only initial hesitation was that we didn't want people who were working for social reasons and would quit when their grandchildren came to town. That never materialized because of the pre-screening. All the people we hired are very dedicated. They want to work. The myths that older people get injured more often or take more time off are just that—myths."

The Next Time Around

Because of the program's success, the Broward Employment and Training Administration will run a modified version on a regular basis using a $93,000 grant from the job training law's 3 percent set-aside.

But, says Johnston, "We've learned a couple of things from the demonstration project that we'd change the next time around. I think we proved that you don't need nearly as much publicity as we had to convince employers to work with these people."

Adds Barndt, "We'd also put more emphasis on the career workshops—helping seniors brush up on their job-search skills and confidence—as opposed to training. We thought originally we'd have to do all kinds of training, but that's not the case. This doesn't have to be an expensive effort. Most of these people have enough skills to get jobs; they just need to remember how to market themselves again."

Major Study Takes Look at Older Workers

The National Commission for Employment Policy has released a comprehensive study on labor market problems and national policies that affect Americans age 45 and older.

The findings, as well as staff analyses, comprise a 15 report series of particular interest to policymakers and public and private sector practitioners.

Topics examined in the series include case study and survey results comparing the relationship of age, productivity and earnings; the coordination of federal, state, local and community programs and policies for older workers and how new employment choices by older workers will impact on Medicare and Social Security programs.

In addition, the research staff takes a look at popular work alternatives such as part-time employment, volunteerism and phased retirement and special labor market concerns affecting older women, the handicapped, minorities and displaced male workers. Finally, they evaluate the response and participation rates of older Americans to employment and training programs.

For more information, contact NCEP, 1522 K Street N.W., Washington, DC 20005, 202/724-1571.

Showcase

Retirees Fill Temporary Positions at Travelers Insurance

Travelers Insurance Companies usually need 120 to 150 temporary workers every week in the Hartford, Connecticut, home office. The company used to call temporary agencies automatically. Since 1981, however, supervisors first call Travelers' Retirees Job Bank. More than 50 percent of the time, Travelers retirees are prepared to fill the temporary positions.

The job bank is one element of the company's Older Americans Program, which was instituted under Morrison Beach, chairman of Traveler's Executive Committee.

Beach became interested in the needs of older workers during his association with the 1981 White House Conference on Aging. He initiated a survey of Travelers employees 55 and older to find out their retirement plans: Did they want to work, retire and relax, travel? How about finances? Where did they plan to live—Hartford or somewhere south?

From the survey, the company learned that retired employees wanted to work both for financial reasons and to give themselves something to do. Now Travelers offers its personnel and their spouses pre-retirement counseling to help them examine their options, including finances and job possibilities. Retirees can list their names with the job bank, and when a temporary slot opens, the job bank managers try to match a retiree with the opening.

Flexibility, Freedom

Temporary positions may last one day or several months. No one is obligated to take a particular job, so retirees are free to combine work with other activities. While the company does not have a formal phased-retirement program, from the retirees' perspective the job bank is essentially a vehicle for phasing into or out of retirement.

"Most positions are clerical or secretarial," explains Georgina Lucas, administrator of the Older Americans Program, "but sometimes officers and managers come back to do special projects."

"One thing we do is offer training on our new equipment. Equipment changes so rapidly these days; we encourage retired employees to upgrade their skills."

The benefits to the company are obvious. Retirees already know how the company operates and may even be familiar with the specific job. "There is no loss in productivity," says Lucas, "and there isn't any additional supervisory time needed. It benefits the retiree in that they earn more than they could through a temporary agency, yet it costs us less."

The one major accommodation that Travelers had to make was a change in its pension plan. Under previous rules, retirees could work no more than 40 hours each month without affecting pension benefits. Now they are limited to 960 hours per year; that is essentially a half-time schedule.

"Fifty-five is the speed limit, not the age limit," say Evelyn Smith and Sylvia Corvo, who share the job of running the job bank. They're are living proof of that statement: Smith is in her 60s. She took early retirement but was later asked if she would come back to help set up the job bank; now she works half-time. Corvo is in her mid-70s. She also had been away from work for some time but decided to come back. Both find the job sharing arrangement an ideal balance of work and free time.

"The program is very efficiently run," adds Lucas. "Not only do they manage the job bank, they are responsible for all temporary employment in the home office."

Olders Workers in Wichita Offer Experience, Maturity

Jerry Stanyer owns the Wedding Specialist, a bridal shop in Wichita, Kansas. Last year he wanted to open a new kind of store, but he had trouble finding the right person to manage the business.

"I think we were looking in the wrong place," he says. "Newspaper ads didn't help; neither did the employment service."

So Stanyer called the Senior Employment Program, an employment effort now funded under the Job Training Partnership Act. Carolyn Brozek, the job placement specialist, knew just the right person for the job. Betty Lou Albright, who had been in retail sales with a major Wichita department store for years, was laid off when the store closed. She had looked everywhere for a job and had been repeatedly turned down because of her age. But her age and experience were just what Stanyer needed.

"I wanted someone really competent. I didn't want a rookie. It was a management job, and I didn't have time to train someone. The person had to be experienced."

Experience was imperative because Stanyer was branching out, opening a new kind of store—a bridal and formal fabrics shop. It was a new concept in the Wichita market, and Stanyer needed someone who could make it work.

Albright stepped into the job at full stride, going to trade markets, ordering fabrics, controlling inventory, maintaining sales and everything else.

Not an Isolated Case

Most older workers who seek help through the Senior Employment Program have comparable skills and maturity to offer an employer, says Brozek, who has worked with the program since it began in September 1982.

What they often lack, she say, is self-confidence. "It's a humiliating thing for an older person to go out and sell himself when he's worked one place for years."

"One gentleman came in not too long ago who had worked for a company for 30 years. When it changed hands, the new owners kept the older workers for one year and then laid them off. He never dreamed that at that point in his life he would be starting all over again. Working was a way of life for him, and he wouldn't even apply for unemployment compensation. 'I won't take charity,' he told me."

Teaching Self-Help

Initially funded by the Kansas Department on Aging, the Senior Employment program has two major components: job placement with business and industry that is managed by the Kansas Elks Training Center, and a job clearinghouse for in-home services, such as companion care and home maintenance, which is run by Senior Services, Inc., a non-profit corporation.

The two efforts are closely coordinated, says Brozek, "so we can help them find the type of employment that is most beneficial." Job placement activities include skills analysis, resume writing, interviewing, writing cover letters, tracking down job leads, a weekly job club and one-on-one counseling. The goal is to help job seekers help themselves.

Brozek maintains contact with 325 local employers. She also arranges monthly meetings of the job development committee, the 40 most active employer contacts. Twice a year employers participate in a job fair; there is a breakfast meeting for all interested employers four times a year.

Under its pilot grant, the program has been limited to Wichita and surrounding Sedgewick County, but it recently received a $56,000 Job Training Partnership Act grant from the governor's 3 percent set-aside for older workers. That grant will expand the effort to five other counties around Wichita and will target services to older workers who are economically disadvantaged. But since Brozek's salary is paid by Elks Training Center, services also will be available to people not eligible for assistance under the job training law.

Brozek foresees some initial problems in expanding the program because the surrounding rural counties lack public transportation and a local employer base. Placements, however, are currently above the program goal: in the employment development component they are making 20 a month; both part-time and full-time positions count.

It is easier to find the right part-time than full-time, according to Brozek. "There's not much resistance to part-time or temporary employment, but full-time with benefits . . . lots of resistance. I call it age-ism. Some companies won't give an older worker a chance."

But others, like Jerry Stanyer, have found they could get just the employee they needed by hiring an older worker. "We let Betty Lou do it all," he says, "and we've been extremely pleased."

Showcase

Massachusetts Promotes Jobs for Older Workers

Far from being obsolete or over the hill, older workers are a valuable—and increasingly necessary—part of the labor force. Business and government leaders across the nation are recognizing that fact, according to panelists and participants at a recent Massachusetts conference on older workers.

Sponsored by Governor Michael S. Dukakis and the National Commission for Employment Policy, and hosted by The Shawmut Bank of Boston, the conference brought major Massachusetts employers together with researchers, state officials and representatives from organizations that serve older citizens. The goal: to examine older worker employment successes and begin a statewide initiative to increase private sector job opportunities for older people.

A leader in older worker employment planning, Massachusetts has solid demographic reasons for prolonging its citizens' working years: one out of six workers in the state is 55 or older. That translates into serious labor shortages before the end of the decade unless businesses learn how to keep older workers on the job past the usual retirement age.

At a workshop on meeting employers' labor needs, Andrew M. Sum, Northeastern University associate professor and director of the Center for Labor Market Studies, painted an alarming picture. "Older workers are concentrated in the state's key export sectors: fabricated metals, electrical machinery, and textiles and apparel. They're the most skilled workers in those industries because they've had the most experience. But retirement demand is very high right now and will increase through the decade."

Unless businesses find ways to keep those older workers working longer, the labor shortages in those sectors will hurt not only those industries but, in a multiplier effect, will cause distress throughout the region's economy.

Compounding the problem, according to Sum, is that "the youth labor force is drying up faster in Massachusetts than in the rest of New England," raising the likelihood of additional labor shortages in industries which have traditionally relied heavily upon young people: finance, insurance, and real estate; selected service industries such as hospitals and business services; and retail trade.

It is imperative, Sum warned, for business to work harder at meshing older workers' employment needs with employers' labor needs.

Meshing Workers', Employers' Needs

Bankers Life and Casualty Company's human resources vice president, Dr. Anna Marie Buchmann, explained how her company has done just that—ever since the company was founded.

The Chicago-based insurance company has never had a mandatory retirement policy, said Buchmann. Bankers has made a concerted effort to attract and keep older workers, as well as not forcing them out at a specified age. Anyone who has left Bankers "in good stead"—whether through retirement or for other reasons—is eligible to return as a part of the retiree work pool.

During periods of heavy workload, Bankers calls in its own people for short assignments rather than filling in with workers from a temporary employment agency. Already familiar with the company and often with the specific tasks required, these retirees need little or no training and are productive from the time they walk in the door. As well as saving the employment agency fee, Bankers is confident that its temporary workers will fit in easily.

Bankers makes sure no member of the retiree work pool works more than 1000 hours per year, Buchmann added, avoiding the necessity of their reparticipation in the company's pension plan and permitting them to continue collecting full pension benefits. Their annual wages are also monitored to ensure that their Social Security benefits are not jeopardized.

Although Bankers is not currently augmenting its work force, in past years the company has hired many people who had been forcibly retired from other insurance companies and even from other industries. Many of these people work well into their 70s and beyond, Buchmann affirmed, with some "getting as many as three promotions in their new positions!"

Benefits for Business

Small business owner Robert S. Lee, also a conference panelist, actively seeks older workers for other reasons. Not concentrating exclusively on retirees, Lee has instituted several part-time options at Hotwatt, Inc., a small Danvers, Massachusetts, firm that manufactures resistance wire heating elements. Lee attested that, since the jobs he has to offer are not career-track jobs, they tend not to attract many young workers. "The steady, slower rate of older workers works well in a job shop like Hotwatt, rather than in an assembly line situation," he said.

Lee, who had been unaware of referral agencies for older workers, said he now plans to seek employees through these agencies and by adding "older workers encouraged to apply" when he advertises job openings.

Bankers' Buchmann said several other companies use retiree work pools and other types of flexible arrangements to accommodate older workers. "All of us have found it a very positive experience. You don't have to train them in the culture of the organization. They enjoy the camaraderie," and they have a strong work ethic which they transmit to the younger workers around them. "You really get your money's worth."

That may be the most critical point for businesses. As economist Sum noted, "Flexible employment options and other older worker incentives will only be offered to the extent that business realizes such programs benefit business as well as the workers themselves. The serious labor shortage in Massachusetts is forcing business to seek older workers."

As the baby boom generation ages, the rest of the country will need to follow in Massachusetts' footsteps.

Planning for Older Workers

The Massachusetts conference on older workers is one element of a larger, state-coordinated effort that encourages the training and hiring of older workers.

Last year, in preparation for planning special programs funded under the Job Training Partnership Act, a task force spent five months reviewing labor market data and examining previous employment and training programs aimed at older workers.

In January, requests for proposals for employment-related programs for people 55 and older were sent to all Massachusetts private industry councils.

Councils may develop and submit their own proposals or endorse and forward ones developed by other organizations. Proposals, which must be ranked in order of priority if more than one is submitted, were due at the end of March.

Successful bidders will receive money from the governor's 3 percent grant which is set aside for older workers programs.

Singled out for special attention are:

- workers over 55 who have been displaced through layoffs and plant closings
- women who must return to work to support themselves following divorce or death of a spouse
- retirees seeking jobs because retirement has been economically or psychologically unsatisfactory
- under-employed older workers whose low-income jobs do not raise them above the poverty level

The task force identified these categories, but the state has not set priorities within this group. It wants to encourage local organizations to respond to whichever needs are most pressing in each community.

Filling Wish Lists

Need a few dog skeltons for the medical technology class? How about some oil filters for the automotive technology program? Is the chemistry lab breaking test tuoes faster than you can afford to replace them?

If so, the National Association for the Exchange of Industrial Resources (NAEIR) may be the next best thing to a fairy godmother. For the past six years, NAEIR has been distributing surplus equipment gifts from businesses and industries to educational and social organizations across the country. The equipment is free; institutions pay shipping charges only. NAEIR expects to distribute more than $10 million worth of equipment this year to its 1,300 member institutions, which pay an annual membership fee. Members submit an annual "wish list," and NAEIR matches up the "wishes" with equipment stored in its five story warehouse in Chicago. Membership is limited to schools and other non-profit organizations.

For information and membership applications, write: National Association for the Exchange of Industrial Resources, 550 Frontage Road, Northfield, Illinois 60093, or call 312/446-9111.

Senator GRASSLEY. Thanks, to both of you. I have just a few questions. I hope this first one is not too involved. If it is, I guess I would ask you to respond in writing. I am going to direct this question to Wilda, since you reviewed three methods of allocating 3 percent set-aside funds within a State. Would you please sketch the pros and cons of each method, and particularly, I would like to have you address a criticism we often hear, that when you make formula allocations to a large number of service-delivery areas sometimes you end up with too small an amount of money to be useful.

Ms. FERGUSON. Yes, sir. One of the values of having flexibility at the State level is the ability to use whichever method works best for the State.

In terms of the formula issue, it allows a State to be served statewide; it provides for equity in the way older persons are treated in all areas of the State.

It does, at times, provide only a small grant. It is my understanding that the 3 percent was to be seed money, to be used in coordination with other programs, to develop models for serving older workers.

In that respect it does not duplicate other employment programs. So that is a positive on behalf of the formula. Negatives are the amounts, as you have observed. RFP's allow for competition, allow for those persons who have the most incentive to submit a proposal, and decision to fund can be made accordingly.

The disadvantage is that the entire State might not be served, but the real advantage is the flexibility and the choice that the State can make to meet their own needs.

Senator GRASSLEY. Esther, do you or your associate have anything you want to add in regard to that?

Ms. SCHAEFFER. Let me just comment, and then, if Fran Rothstein would like to add. I agree with Ms. Ferguson in terms of the flexibility being important.

I think the key here is whether the 3 percent money is being used in isolation or is in fact being used as seed money—in some way to further use of title II–A, or some of the other programs that may be in the State.

And if it is that way, and if it happens to be spread fairly thinly, that may not be all bad. What we favor is permitting a certain amount of flexibility at the State level to distribute the funds where they think the impact would be greatest. Fran, I do not know if you wanted to comment any further, or not.

Ms. ROTHSTEIN. I would only make one more comment about the issue of models and demonstration projects that both Ms. Ferguson and Esther brought up, and that is that the National Alliance of Business, the National Association of State Units on Aging, and a number of other groups that serve a national constituency, have made an effort to begin gathering information about those models.

What we find is that it is difficult to spread that word, and many of the questions that we get, and I know that the people at NASUA get, are from people who are working in some degree of isolation and do not know what their colleagues may have to offer in terms of an experience base.

And I would only recommend that those efforts of disseminating the good things that have been done continue, and perhaps be coordinated even better than they now are.

Senator GRASSLEY. All right. In your statement, Ms. Schaeffer, you mentioned that some States are not counting title V income as one example of how States are dealing with income eligibility.

Should we mandate, from the Federal level, such a requirement for the program, or, is this the kind of thing which the States are better able to deal with, and which therefore ought to be left to State discretion?

Ms. SCHAEFFER. The alliance does not really have a policy on that per se, but I think we would certainly not object if it were mandated, nationally. It would permit a certain amount more of flexibility in terms of eligibility. So, we certainly would have no objections to that.

Senator GRASSLEY. OK. Wilda, does the National Association of State Units on Aging agree with the position taken by the National Association of Business, to the effect that the 3 percent money should not be used to create a separate job program but should be used to influence other parts of the Job Training Partnership Act?

Ms. FERGUSON. I assume you are referring to the comment that there should not be a separate program. No, we do not agree with that. As I said earlier, we saw the 3 percent as an attempt to serve the special needs of older persons, to have the ability to establish models, to be able then to influence the use of the rest of that money to meet the needs of older persons.

And so we would not see that there is duplication, if that is the concern.

I suspect that the concern is built around, an occasional lack of coordination on the local level and I think that is an area that needs to be addressed.

I believe that in many areas there is a great deal of cooperation and coordination between the PIC's and the area agencies when they operate the 3 percent, so that the businessman is not inundated with numerous people knocking at his door, and that is something that we certainly need to encourage.

But I think, at this point, as we look at the real special needs of older workers, that the way the program currently is being operated is much more effective.

Senator GRASSLEY. I have no more questions, but there might be something that you want to add the responses panel I gave to the questions I asked them. I am not going to submit them to you, but I would like to give you an opportunity to response.

I think you have some expertise in those areas, and that your written testimony could contribute something to our record, if you so desire, I will give you copies of the questions that I asked Panel I.

Ms. FERGUSON. We would like to.

Senator GRASSLEY. I will leave that up to you.

Ms. SCHAEFFER. That would be fine. I just wanted to mention, since it was not in our testimony, that we fully support the others who said today, that the Federal Government should maintain the 55-year-old line item on the report in JTPA, and we have written the Department to that effect.

Senator GRASSLEY. I am going to turn now to Senator Matsunaga from Hawaii. Senator, if you have an opening statement, we would be glad to entertain it at this point, and to offer you an opportunity to ask any questions you might have of this panel. Let me also thank you for coming because you have been very faithful in the support of my work on this committee.

Senator MATSUNAGA. In the interest of time, Mr. Chairman, no opening statement and no questions of this panel.

Senator GRASSLEY. OK. Again, be mindful of the fact that other Members of the committee may submit questions in writing that we would like to have responses to in 15 days.

If you are interested in those questions that I referred to previously, please consult my staff. Thank you very much.

I would now turn to our third panel which consists of four people who have real hands-on experience in the training of older workers.

I would ask Mr. John Kiley—is that how you pronounce that?

Mr. KILEY. Yes.

Senator GRASSLEY. That is how you pronounce it. OK. Mr. Kiley is from my home State of Iowa, from Davenport, and I call him to offer his perspective as the director of Service Delivery Area Nine in my State of Iowa. Would you come now.

And then I am going to call, simultaneous, Mr. Alec Olson. He is going to testify on behalf of Green Thumb, a national title V contractor.

And then Mr. William Massey. He is the executive director of the Peninsula Area Agency on Aging at Newport News, VA, and he also comes to us speaking for the National Association of Area Agencies on Aging.

And then finally, we will hear from Katherine Lewis, who is director of Project Grow in Rochester, NY.

I would like to have each of you proceed with your testimony, and I am hoping that before you leave, Mr. Kiley, that I can like to get my picture taken with you.

Mr. KILEY. Thank you. That would be fine.

Senator GRASSLEY. Now that is not something that is a requirement for you to testify because we have you here for your expert testimony and not the public relations. If you don't mind, I might ask you to interrupt your testimony to accomplish that. You understand that, don't you, Senator Matsunaga?

Senator MATSUNAGA. Oh, yes. I have been in politics a long time.

Senator GRASSLEY. OK. Thank you. I am going to ask you to proceed first, John, and then down the list, the way I introduced people, and then we will have questions at the end.

STATEMENTS OF JOHN KILEY, DIRECTOR, SERVICE DELIVERY AREA NINE, DAVENPORT, IA; ALEC OLSON, GREEN THUMB, INC.; WILLIAM MASSEY, EXECUTIVE DIRECTOR, PENINSULA AGENCY ON AGING, NEWPORT NEWS, VA, AND NATIONAL ASSOCIATION OF AREA AGENCIES ON AGING; KATHERINE LEWIS, DIRECTOR OF PROJECT GROW, REGIONAL COUNCIL ON AGING, ROCHESTER, NY

Mr. KILEY. Thank you. Mr. Chairman, members of the subcommittee, and staff, my name is John Kiley.

I am the director of the Job Training Partnership Program in Service Delivery Area Nine of Iowa. Our program is administered by the Eastern Iowa Community College District and serves five counties: Cedar, Clinton, Jackson, Muscatine, and Scott.

It is a privilege and an honor to have the opportunity to testify before this subcommittee on the Job Training Partnership Act, or JTPA as it is known, and employment and training services for older persons.

I would like to begin by stating that I share your concerns about the low service levels and corresponding underutilization of JTPA funds for older workers.

These phenomena are symptoms of problems which with your help can be resolved by local program operators. They are not an indication that the need for these services is overstated, or does not exist. Many older workers are seeking assistance in finding employment, and many more are among the discouraged workers who have given up all hope of working again.

The wasting of these valuable human beings and the skills they possess is a very serious national problem which must be solved immediately.

At the local level, the Eastern Iowa Community College District has worked closely with the private industry council and the local job service, and area agency on aging, to put together a network of services and training designed to meet the needs of older workers.

In our efforts we have identified a number of barriers which are outlined in the attachment to this testimony. We believe that most of these barriers can be overcome by good local planning and management of the programs.

However, some of these barriers may require your assistance. Chief among these barriers is the one which keeps many needy and deserving older workers from being served—eligibility.

The income guidelines used by JTPA eliminate many older workers whose sole source of income is Social Security. While the definition of income is left to the States under the act, some advice from Congress on this would be helpful. Another way to help more older workers qualify would be to allow a window in the 3-percent programs like the window used in title IIA. This would permit local operators to serve people who are being turned away right now.

Congress could also assist the efforts of local programs by encouraging closer cooperation between national and local contractors for the Senior Community Service Employment Program and Job Training Partnership Programs for older workers.

By sharing information and resources, these programs can make significant improvements in their efforts to serve older workers.

Placement efforts could also be aided by Congress through the renewal of the targeted jobs tax credit with older workers identified as a targeted population.

Finally, the enactment of the Environmental Programs Assistance Act and other similar legislation will encourage the full utilization of older workers and the skills they have to offer.

To summarize my remarks, I would like to emphasize that Congress has already done a great deal to help older workers become productively employed.

With relatively few legislative changes and stable funding, the Eastern Iowa Community College District and other local program operators will have all the resources needed to successfully recruit, enroll, train, and place older workers. We look forward to working with you, to accomplish these important goals. Mr. Chairman, and members of the subcommittee, thank you for hearing my views on the Job Training Partnership Act, and employment and training services to older workers.

[The prepared statement of Mr. Kiley follows:]

WRITTEN TESTIMONY

on

THE JOB TRAINING PARTNERSHIP ACT

and

EMPLOYMENT and TRAINING SERVICES for OLDER WORKERS

Presented to

THE U. S. SENATE SUBCOMMITTE ON AGING

of the COMMITTEE ON LABOR AND HUMAN RESOURCES

By

JOHN R. KILEY

DIRECTOR of JOB TRAINING PROGRAMS

EASTERN IOWA COMMUNITY COLLEGE DISTRICT

February 5, 1986

Mr. Chairman, members of the Subcommittee, and staff, my name is John Kiley. I am the Director of the Job Training Partnership Program in Service Delivery Area Nine of Iowa. Our program is administered by the Eastern Iowa Community College District and serves five counties: Cedar, Clinton, Jackson, Muscatine, and Scott. These diverse counties include a metropolitan area, several modest sized cities, many smaller towns and, as one would expect, a lot of land dedicated to farming.

It is a privilege and an honor to have the opportunity to testify before this Subcommittee on the Job Training Partnership Act (J.T.P.A.) and employment and training services for older workers.

I would like to begin by stating that I share your concern about the low service levels and the under-utilization of the J.T.P.A. three percent funds set aside for the training and employment of older workers. I also believe that more can be done through Title II-A of J.T.P.A. to serve older workers and that with the guidance of local Private Industry Councils, these J.T.P.A. programs can be better coordinated with the efforts called for in Title V of the Older Americans Act. These programs and the people they serve are as important as any program or "target group" served by the Job Training Partnership Act. The low service levels and corresponding under-utilization of funds are symptoms of problems which can be corrected with the assistance of Congress and through better local planning and management. They are <u>not</u> an indication that these programs are not needed and therefore should be reduced or eliminated altogether! The unemployment rate in our area is still a staggering 9% overall and 5% for older workers (55 and up). As you

know, areas hard hit by unemployment also have many discouraged workers who are not counted in these figures. It is my contention that the combination of age discrimination on the part of employers combined with the low self-esteem felt by many unemployed older workers produces many more discouraged workers in this age group. This is reflected in their much lower rate of participation in the labor force. The need for effective employment and training services is there!

In the State of Iowa 11,261 people were served through Title II-A during the Program Year ending June 30, 1985. Of these, only 143 people age 55 and over were served. The three percent programs which were administered by the State's Commission on Aging served only 410 people during this same period. No one in Iowa doubts that there were more than 553 older workers who could have and should have been served by these programs.

In order to promote more effective coordination between Title II-A Programs and three percent programs the State of Iowa provided local Service Delivery Areas the opportunity to administer the three percent programs beginning July 1, 1985. Our Private Industry Council elected to continue to contract with the Great River Bend Area Agency on Aging for delivery of services to older workers. This arrangement with an agency which also administers the Title V Program and a state program designed to serve older workers provides for maximum coordination of programs and services. The Area Agency on Aging staff understand the needs of older workers and are very familiar with the full range of community services and support available.

It takes great people to make a program work and in our area we are very fortunate to have a dedicated staff who are themselves older workers.

These Older Worker Specialists, as we call them, are housed at no cost in the local Job Service Offices. Thanks to the efforts of the District Manager of Job Service, who serves on our Private Industry Council, the Older Worker Specialists have access to all job leads which come into the local Job Service Offices. Through contracts with the Eastern Iowa Community College District and other providers, older workers can receive assessment services, basic education and skill training. Classes teaching job-seeking skills are offered by the Community College and on an as-needed basis at Job Service.

In an effort to overcome recruiting difficulties and improve job placement opportunities, the Area Agency on Aging conducted an extensive media campaign. However, there is still a need for greater awareness of the training and services available to older workers. An approach we are considering was used successfully in the Illinois Service Delivery Area across the Mississippi River from us. They took the program to the older workers by establishing a mobile assessment center which visited congregate meal sites and other facilities which serve older individuals. By giving older people the "home-court advantage", this Illinois program was able to break down two of the major barriers to participation in employment and training programs: ignorance about the programs and services and fear of being "processed" by another government program. By enabling these people to have their first contact with the J.T.P.A. program in a friendly setting and with their own peers this Service Delivery Area achieved the highest participation rate in the State of Illinois.

Another barrier to participation in J.T.P.A. which has been identified is the definition of income to be included in determining an individual's

eligibility for the program. While the states are allowed to define what types of income must be counted, it has only recently come to their attention that the inclusion of social security income makes many individuals ineligible for J.T.P.A. In some cases people are only $17.00 over the income guideline! This unfortunate situation has been corrected in Illinois and will be addressed in Iowa in the near future. The flexibility which Congress has designed into the Job Training Partnership Act, when exercised, can solve many of these procedural problems. Difficulties in establishing eligibility could also be addressed by creating an eligibility "window" like the one available under Title II-A. The "window" would allow program operators to enroll persons who need the training and services but don't quite meet the income eligibility requirements. In Title II-A the window provision allows us to serve up to 10% of our total enrollees because they experience other significant barriers to employment.

Locally, our program is trying to eliminate another barrier by reducing the amount of paperwork involved in enrolling older workers in Job Training programs. Much of this paperwork is generated in response to stringent monitoring done by the Department of Labor and the state. While we acknowledge the need for adequate documentation in a program of this type, we believe a more reasonable balance can be achieved between the goals of program accessibility and paper documentation. Any efforts by the members of this Subcommittee to help achieve this balance will be welcomed by local program operators, applicants and employers.

While most of the other barriers experienced by older workers can and should be dealt with by local program operators and their Private Industry

Councils, there are several ways the Congress could provide invaluable assistance.

1. Congress can help local programs by slightly modifying the language of the Job Training Partnership Act in Section 124(c). This section has been interpreted at some levels as restricting placement efforts to employers who are in "growth industries" or who have "jobs reflecting the use of new technological skills." This restriction can limit worthwhile efforts to place older workers and is difficult to interpret and enforce.
2. Congress could also assist the efforts of local programs by encouraging closer cooperation between the national and local contractors for the Senior Community Service Employment Program with J.T.P.A. Programs for older workers. By sharing information and resources, these programs can make significant improvements in their efforts to serve older workers.
3. Placement efforts can also be aided by Congress through the renewal of the Targeted Jobs Tax Credit with older workers identified as a targeted population. The difficulties experienced by many local operators in using On-The-Job Training Contracts to place older workers recommends the use of this simpler form of incentive for employers.
4. Finally, the enactment of the Environmental Programs Assistance Act and other similar legislation will encourage the full utilization of the skills older workers have to offer.

To summarize my remarks, I want to emphasize that Congress has already done a great deal to help older workers become productively employed. With

relatively few legislative changes and stable funding, the Eastern Iowa Community College District and other local program operators will have all the resources needed to successfully recruit, enroll, train and place older workers. We look forward to working with you to accomplish these important goals!

Mr. Chairman and members of the Subcommittee, thank you for hearing my views on the Job Training Partnership Act and employment and training services for older workers.

	BARRIERS TO PARTICIPATION	SOLUTIONS
	Lack of Information on Programs	Outreach and Marketing
Recruiting	Fear of being "Processed"	Hire Appropriate Staff
	Remote Location	Outreach (Mobile Service)
	Income from Social Security	Change Definition (State)
Eligibility Determination	Complex Paperwork	Simplify, Simplify
	No 10% Window	Create Window
	Low Self Esteem	Assessment
Enrollment	Physical Health Limits	Job Restructuring
	Lack of Appropriate Training	Develop Training Options
	Age Discrimination	Marketing, EEOC, & T.J.T.C.
Job Placement	"Wage Descrimination"	Job Development
	Transportation Problems	Ride Sharing and Public Transit

Senator GRASSLEY. A question just for you, and unrelated to the immediate point of this hearing, but you mentioned Targeted Jobs Tax Credit?

Mr. KILEY. Yes.

Senator GRASSLEY. And I was not author of the original legislation, but I was author of an add-on 2 or 3 years ago for young people, and you are suggesting targeting part of that program towards older workers.

Now, that is not part of the Targeted Jobs Tax Credit Program yet, right?

Mr. KILEY. Yes.

Senator GRASSLEY. And how would you do that? By an extra sort of higher percent of credit for the hiring or training of older workers? That is the way we did it for young people for the summer employment, 85 percent credit instead of a 50-percent credit for everybody else.

Mr. KILEY. Right. I think something along those lines would be very helpful. The experience of a lot of program operators is that OJT, or on-the-job training, has not been a very effective way to place older workers, and a simpler way to help employers, or to encourage employers such as the Targeted Jobs Tax Credit seems to be more effective, or would seem to be more effective.

Senator GRASSLEY. The photographer came, so could I get you to come up here with Senator Matsunaga, and me.

[Brief pause for photo session.]

Senator Grassley. Mr. Olson, would you proceed, please.

Mr. OLSON. Thank you, Mr. Chairman. In the interest of your time, you have our prepared statement, I want to paraphrase from it, as it applies to certain points already discussed this morning.

Mr. Chairman, Green Thumb is only one of the contractor in title V, and as you are well aware, all the States also, relieve title V funds.

I want to point out that our experience is primarily rural because we are primarily a rural project, but now, I need to focus on what is really in disagreement with what I believe I have heard from all of the participants so far.

We have more applicants for enrollment in our program than we have funding for. We have long waiting lists, and we recognized a long time ago that all who work in employment training need to cooperate in order to get the job done, and Green Thumb has been cooperating, our statement reflects the degree of response we have had.

The key question in your opening statement was: "How can we better focus on our problem?" that is essential, and what I am attempting to highlight.

The fact that the age group 55 to 60 is not the first priority in title V necessitates our focus on how to help those in that age group if our enrollment is full, when they seek enrollment in our program, and obviously, to direct them to JTPA is a real alternative and opportunity. We believe JTPA 3 percent set-aside will better utilize their funds if title V and they recognize and work with the differing needs of persons when reaching the approximate age of 60.

Green Thumb has over 3,000 enrollees under the age of 60, and we would very likely have many more if the priority did not de-emphasize enrolling that age group, because they are easier to place.

We feel virtually all the enrollees in our program under 60 years of age are prime candidates for the JTPA set-aside program. Under 60, persons will relocate, they are more amenable to training; over 60, they are necessarily worried about loss of Social Security, loss of other benefits, and frankly, they need part-time jobs not full-time jobs. After 20 years of administering a work program for older Americans we know that work experience is the best trainer for them, especially if over age 60. With few exceptions, matching existing work experience with job requirement is a must for 30 percent of our 18,000 enrollees who are over the age of 70. We do not as a practice direct the latter group to JTPA for further training, but focus on the age below that. We have some experience in JTPA 3-percent set-aside, in that we contracted with the Governor's office in South Dakota to administer the 3-percent set-aside in that State.

Our greatest success in placing persons on the JTPA 3-percent set-aside program in South Dakota are in the metropolitan areas of Rapid City and Sioux Falls. The most important thing we learn is to be as insightful as possible in looking at the "lay of the land," really knowing what we are trying to do, and what we have to work with.

I really could have started by quoting the last line of a letter from one of my staffpersons who says the keys to producing results appear to be "organization, simplicity, and persistent planned effort," and we have found that there is no shortcut. We have much evidence of working with JTPA throughout our project area representing rural areas in 45 States. We have long waiting lists of persons who are waiting for a title V job or a JTPA training program.

We see the need, the demand, and we hope we learn from this hearing, ways to be more effective in focusing on how we can better do our jobs. Thank you.

[The prepared statement of Mr. Olson follows:]

STATEMENT

OF

ALEC G. OLSON, ADMINISTRATOR

GREEN THUMB, INC.

TO

SENATE SUBCOMMITTEE ON AGING

CHAIRMAN
HONORABLE CHARLES E. GRASSLEY

FEBRUARY 5, 1986

Mr. Chairman and Members of the Committee:

My name is Alec Olson and I am the Administrator of Green Thumb, Incorporated. Green Thumb is a tax exempt organization with a 501 (c) (3) designation that is in its 20th year of enrolling and assigning Older Americans to community service jobs.

The Senior Community Service Employment Project administred by Green Thumb is authorized by Title V of the Older Americans Act and funded through the U.S. Department of Labor.

Mr. Chairman, your letter of invitation to participate in this hearing identified the focus as being: (1) Is the 3 percent set-aside program working effectively and efficiently and can it be improved, and (2) Is it necessary to better coordinate the JTPA 3 percent set-aside program with the Title V Older Americans Act Program?

It would be presumptuous for me to address directly your first question but hopefully, helpful to share our experience in coordination of two programs with such similar goals as JTPA 3 percent set-aside and Title V.

Both programs exist to find jobs for Older Americans who basically meet age and income guidelines. I believe the statistics for the entire Title V program will bear out Green Thumb's experience of having eligible applicants looking for jobs in numbers that far exceed our programs authorized level.

If for no other reason than maintaining a creditable presence in the community, it is in Green Thumb's best interest to seek unsubsidized employment for our enrollees and to cooperate with all who can help us serve a larger number of persons. As a result Green Thumb contracted with the Governor's office in South Dakota to administer the JTPA 3 percent set-aside for that state.

Green Thumb's experience is not dissimilar to what we find when seeking placement through JTPA in other states. We can not fill the demand for Title V jobs for lack of funds, yet we cannot to date fully utilize the monies available for the JTPA 3 percent set-aside program. On the other hand, our own experience in administering both efforts in South Dakota bears out what I said in a memo to field staff in March of 1984:

> "Both programs are targeted at the same population and it is apparent that common recruitment would enhance the purposes of better delivery of income support while providing training, community service, and placement. While Title V funds cannot be used (except in conjunction with designated use of experimental funds) for private sector placement, JTPA's focus is the reverse."

Our South Dakota Green Thumb director recently commented:

> Green Thumb and JTPA really work well together. We are using it as an effective tool to place more people. Placements are running neck and neck. I feel that if we were allowed to placed one person with a business under the same rules as we have with Green Thumb, we could double our placement numbers in a year.

There is little question that all funds avaiable through JTPA for older workers could be utilized if the demands for success were not so stringent that they reduce the opportunity for older workers to demonstrate their capabilities to employers. That is what the South Dakota Unit Director is saying when pointing to the pattern of operation of the Senior Community Service Employment Program. In Title V, the majority of placements are made by giving the older worker an opportunity to demonstrate his or her skill and ability. It is apparent that prospective employers often hesitate when asked to participate in JTPA because they are concerned with having to make a commitment to hire an employee about whose qualifications they may be unsure. Such factors are magnified when prospective employers have larger numbers of job seekers from whom to chose.

In addition the Title V program differs from the JTPA 3 percent set-aside programs in several other ways. First, Title V funds are spent largely on wages for older workers employed in community service while JTPA funds are directed to job training. Second, the primary thrust of Title V is placing eligible seniors in community service jobs while the emphasis of JTPA is on job creation in the private sector.

Third, the overall management of SCSEP is the responsibility of the federal government through Department of Labor's Division of Older Workers, Office of National Programs, as compared to the 3 percent set-aside for which state government has major management responsibility. This allows for many variations in eligibility requirements and program implementation. It is our experience that no one best answer is available and no substitute can be found for maximized effort.

In Ohio Green Thumb has, over the past year, scheduled meetings between its staff and JTPA representatives in mutually served areas and have discussed the ways they can cooperate. Subsequently, Green Thumb enrollees began meeting with JTPA personnel at county sessions designed to foster participation in the training programs. Virtually all Green Thumb enrollees in Ohio will have completed this involvement in the near future.

It is apparent that as a result our unsubsidized placements in Ohio have increased. More often than not the depressed rural economy is the biggest negative Green Thumb copes with and our Title V project is almost exclusively located in rural American.

Green Thumb's Project Director from Louisiana sent me the following information recently:

> "Avoyelles Parish (location of State Office) has a fair share allotment of 19 Title V enrollees with 24 Green Thumbers currently working. There is a waiting list of 52 eligible applicants, all walk-ins looking for jobs. There are also 27 JTPA (3 percent set-aside) participants in Avoyelles Parish who would also be eligible Green Thumb, enrollees. JTPA has been able to secure only one OJT contract using 3 percent set-aside funds since July 1, 1985 in this parish. This is not due to lack of eligible participants nor dedication of JTPA personnel in this parish but rather to the very high unemployment rate. Of the 24 Green Thumb enrollees, only two are above the proverty level, and only 4 on the waiting list are above the poverty level".

Having identified the similar objectives of the programs under discussion the information just shared emphasizes the difference, while our project is over subscribed, JTPA's 3 percent set-aside finds it difficult to meet their goals, if those goals were only to be related to the expenditure of funds available.

I believe coordination between Green Thumb's Title V project and JTPA's 3 percent set-aside program is responsible for sharpening our focus on ways to increase unsubsidized placement, without abandoning the priorities of Title V.

We see the contrasts presented when JTPA 3 percent struggles to set-aside income from Social Security for eligibility purposes, overlooking the people between 55 and 60 years, who are its best prospects for placement. The statute establishing the Senior Community Service Employment Program requires an enrollment priority be given to eligible individuals who are sixty years old or older. With 83 percent of Green Thumb's enrollment 60 and over we are especially aware of differing objectives of individuals above verses below that age. Training for full-time jobs with prospects for relocation are desirable and exceptable as a rule for those under 60. For those over 60 relocation is less of an option, especially since they are nearing or are at the age where a full-time job will cause them loss of Social Security and possible other benefits without much chance of job security.

The whole point being the programs we are discussing can again be complementary.

Both programs would very likely place the former Iowa farmer whose comment after enrollment in Green Thumb was -

"I had to enter bankruptcy on the farm, don't know what we would have done without Green Thumb job".

Very probably only the SCSEP can provide the most effective help to the displaced farm workers from South Carolina who have all their life worked on the same farm. They will not be easily helped with a short term training experience but rather assimilation into the work force through a community service job offers the longer tern assistance they need.

There are many strategies which can be used to bring the best aspects of both programs to bear on the problems of older workers. These are best identified through experience, Green Thumb is looking for that experience whenever and wherever possible and on occasion when Green Thumb is considered a positive placement by other job programs we discourage it because no additional expenditures are necessary to keep our program over subscribed.

I thank you for inviting our comments and I anticipate the assistance these hearings will be to Title V.

Senator GRASSLEY. Thank you. Mr. Massey.

Mr. MASSEY. Mr. Chairman, thank you for the opportunity to testify today. I am William Massey and I am executive director of the Peninsula Agency on Aging in Newport News, VA.

Our catchment area covers the cities of Hampton and Newport News with a combined population of about 300,000. We also have two small cities or towns, the city of Williamsburg, and the city of Poquoson, with populations of about 10,000 and then we have two rural counties, York and James City. I think that is important to what I have to say because we do cover the urban and rural areas.

I am here today on behalf of the National Association of Area Agencies on Aging. The Peninsula Agency on Aging operates a 3 percent Older Workers Program with operating funds of $86,000 for the current fiscal year.

I would like to address two questions which focus on the purpose of the hearing, the first being, is the 3-percent set-aside program working effectively and efficiently and can it be improved?

From my perspective I would answer yes, on both counts. In fiscal 1985, the Peninsula Agency on Aging's Older Workers Program enrolled 125 individuals and placed fifty in unsubsidized gainful employment. Our per placement cost was $1,778, which I think compares very favorably across the country. We have operated an effective and efficient program under current guidelines. However, the program could be improved, if the requirement that 70 percent of the 3 percent funds be spent on training were changed.

A 45 percent training requirement would be more realistic, in my estimation. This would give us a breakout of, staying with the 15 percent for administration, 40 percent for participant support and 45 percent for training.

It is the purpose of the Job Training Partnership Act, I realize, to provide training and I think training should have the larger portion, but I think we need more flexibility in the area of participant support.

It has been our experience that 95 percent of the people who have expressed an interest in entering the program were not interested in skills training. On-the-job training, possibly, but not skills training.

And I do not find that surprising. I think anyone, in this day and time, who is trying to exist on $5,000, or less, as an annual income, is interested in only one thing, and that is additional income, and right now.

They are looking for employment when they come to us. This is what we find anyway. We have also found that transportation is the greatest deterrent to employment.

This holds true in urban and rural areas. There is one county in eastern Virginia that is 65 miles long, about 9 miles wide, bounded by two rivers, and in an area of 320 square miles has a 6,000 population.

Now you can imagine how sparsely settled it is if you only consider people 55 and over who may need the type of services we are talking about today.

Another item, as far as transportation is concerned, most people who have an income of around 5,000, or less, cannot afford an automobile, so this just compounds the transportation situation.

I think that transportation support is critical. I know it is critical until the first paycheck is received, when an individual has been placed in employment, and in many cases—this may be the case for several more months, or until past financial obligations have been taken care of, and the person is in a position to carry on and provide their own transportation.

I would also like to state that I think the Area Agencies on Aging have the best potential for operating a successful 3 percent program.

Our loyalties are not divided between the older and younger workers. Let me add here, that we have an excellent working relationship with our SDA. We are colocated in the same office space, as a matter of fact, and they provide certification for us and other support services. But I think that having the Triple A operate the 3-percent program is certainly the best way to go, or, it is for us.

We have support services that we could provide, that the area agency provides to older individuals, and you do not have to go through a long referral process in order to access those services.

As far as—and I will finish in just one moment, if I may—as far as coordinating title V, and the JTPA 3-percent programs, the agency that I work with operates both of those programs on the local level, and it is possible to coordinate those, but I think we need to exert more effort to utilize those two programs, and work to serve the interests of the elderly. Thank you.

[The prepared statement of Mr. Massey follows:]

STATEMENT OF

WILLIAM S. MASSEY, EXECUTIVE DIRECTOR

PENNINSULA AGENCY ON AGING

NEWPORT NEWS, VIRGINIA

IN BEHALF OF THE

NATIONAL ASSOCIATION OF AREA AGENCIES ON AGING

BEFORE THE

SUBCOMMITTEE ON AGING

OF THE

SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

FEBRUARY 5, 1986

JOB TRAINING PARTNERSHIP ACT/OLDER WORKERS PROGRAM

The Job Training Partnership Act/Older Workers Program has provided Area Agencies on Aging with an opportunity to assist low income older workers in a variety of ways. Successful participants have secured sorely needed income, experienced an enhanced feeling of self worth and paid taxes. They are productive members of society.

Area Agency on Aging administered programs under the Job Training Partnership Act enjoy the broad support structure provided by an agency which is well versed in age related problems and their solutions. I believe that this type of support is essential to the success of the older worker.

Many older workers have aging parents or spouses who require long term care. Often the older worker is the caregiver and complex arrangements must be made if the program participant is to enter or return to gainful employment. The Area Agency on Aging is the key to coordinating these services.

I would contend that it is more logical for the Area Agency on Aging to administer the Older Workers Program and coordinate services on an Intra-Agency basis, than to have these programs operated by the Service Delivery Area which would have to employ individuals who were knowledgeable in the fields of employment and aging, who would still have to subject the participant to a referral process in order to access resources available through the Area Agency on Aging.

The total focus of the Area Agency on Aging is on the older person and this committment carries over into the Older Workers

Program. The Peninsula Agency on Aging has operated what we believe to be a very successful Older Workers Program. During the first eleven (11) months of 1985 we have placed fifty (50) older workers in unsubsidized gainful employment. Our success rate during this time was 40% and we had a per placement cost of $1,778.00. I also think it is worthy of note, that our program operated with one Employment Specialist who had part time clerical support. I would be remiss, however, if I did not point out that we have an excellent working relationship with our Service Delivery Area and this spirit of cooperation has been essential to our success.

I do not believe, however, that it is possible for the Service Delivery Area to place as much emphasis on the Older Worker Program as an Area Agency on Aging can. If the Service Delivery Area operates the Older Workers Program in conjunction with all of the other Job Training Partnership Act Programs under its purview, then it must address the employment needs of individuals from fourteen (14) to Seventy-four (74) years of age and beyond, a span of more than sixty (60) years. The Service Delivery Area cannot effectively serve such a broad spectrum of age groups and I believe that Congress recognized this dilemma and offered its solution by creating an Older Workers Program under the Job Training Partnership Act.

The Service Delivery Area must justify its existence, ultimately, with successful placements. In order to survive, therefore, the Service Delivery Area must emphasize services to younger workers who have a greater potential for placement. The

pool of available jobs for older workers is restricted by the workers declining health and/or strength, poor education, lack of employment skills, and a limited amount of time to deal with all of this. Look at the Comprehensive Employment and Training Act track record for placing older workers and I think you will conclude that Older Workers Programs should continue to be administered by Area Agencies on Aging where this is currently the case.

I have worked with the Job Training Partnership Act in various assignments since its inception, including serving as Chairman of the Bay Consortium Private Industry Council in Virginia. Given this experience I would like to offer the following recommendations for your consideration.

First, the requirement that 70% of Job Training Partnership Act/Older Workers Program funds be utilized for training is unrealistic. This requirement does not consider the fact that participants in the program are low income older workers. Day in and day out we interview people who have annual incomes of $5,250 or less and in many cases it is considerably less. We have found that these individuals desparately need income, Now! When we talk about a training program, in most cases, interest in the program begins to diminish rapidly. 95% of the individuals entering our program during the past year stated that they had no interest in training.

I strongly believe that the older worker should be made aware of, and encouraged to participate in appropriate training when their situation permits. However, the bottom line for many

comes down to choosing between either food and shelter or training.

Before I go on, let me make it clear that I am not proposing an increase in the fifteen (15%) percent cap on administration costs. What I am proposing is that the thirty (30%) cap on combined spending for administration and participant support services be increased to fifty-five (55%) percent and that transportation assistance, after employment, be made an allowable expenditure from the participant support services category.

We have found on the Virginia Peninsula that the lack of transportation is the greatest deterrent to successful placement of the older worker. Earlier I cited a forty (40%) percent Placement rate for our program during 1985. Of the sixty (60%) percent who were not placed, eighty-six (86%) percent had no transportation. Two (2%)(percent of the program participants who had transportation could not be placed.

Where we have public transportation, it is not readily available to the older worker. For example, our public transportation does not serve residential neighborhoods and only runs from sunrise to sunset. I believe that with the exception of major metropolitan areas this problem is national in scope and must be addressed. The majority of our low income older workers cannot afford the cost of a private automobile.

We have also found that many older workers cannot afford the cost of public transportation, when available, prior to getting a pay check. We need to have funds made available to assist with transportation costs for a reasonable period of time following

employment, possibly up to six (6) months. The length of time this service is provided, should be determined on a case by case basis. The Area Agencies on Aging should also be given the flexibility to solve their local transportation problem in the most cost effective manner possible. The solution may be the purchase and operation of vans, special arrangements with local public transportation providers, or a host of other possibilities.

If the expertise of the Aging network is utilized and the transportation problem is addressed. I am confident that even greater things can be accomplished for older workers through the Job Training Partnership Act/Older Workers Program.

Senator GRASSLEY. Ms. Lewis.

Ms. LEWIS. I want to thank the subcommittee and the Chair for the opportunity to testify at this hearing today.

GROW is the employment program of the Regional Council on Aging, a nonprofit community-based organization in Rochester, NY.

Last year, GROW assisted over 1,000 unemployed older workers age 45 and up through a variety of programs; 255 were served under the Job Training Partnership Act funding, with 48 served under the Older Worker set-aside.

A hundred and forty-seven were served under the main block of adult and youth funds, the so-called title II-A 78 percent programs, and 70 were served under the title III Dislocated Worker Program.

GROW also operates a title V program under the sponsorships of the National Council on Aging and the New York State Office for Aging.

A center for displaced homemakers and a fee-based counseling and referral service are also offered. In existence over 13 years, we were one of only a few organizations across the country offering assistance to older workers under the CETA Program.

GROW has developed a flexible training model for older workers which is outlined in the written testimony that I have submitted, but in the interest of time I will not go over that.

The Job Training Partnership Act has raised the awareness of employment and training professionals around the country to the needs of older workers.

This is an awareness that before the existence of the Job Training Partnership Act was common only among operators of the title V programs.

But there are certain structural barriers within the Job Training Partnership Act which makes success more difficult for all older worker training programs.

One major barrier concerns the question of income eligibility. Recognition at a national level needs to be given to the fact through years of working many older workers have earned small pensions, or social security payments which, in some cases, instead of rewarding them for years of service, exclude them from entrance into training programs when they need them.

Take the case of a woman who came to GROW earlier this month seeking help finding work. Her husband had died in October. His income from social security and pension, up until his recent death, combined with her own social security income, put her over the Job Training Partnership Act guidelines for 3 months to come.

Yet CETA would have allowed her to be served under a provision that allowed programs to look at only the individual income of the over 55 applicant. Also, currently, if she lived in one of the 29 States that have readopted this "family of one" rule for older workers under the Job Training Partnership Act, she could have been served.

Or, if the older worker set-aside under the Job Training Partnership Act had provisions for a 10-percent eligibility window to serve overincome persons facing additional barriers to employment, she could have been served.

This 10-percent "window" is contained in the major adult and youth sections of the Job Training Partnership Act, but not in the older worker set-aside program. There are currently too many needy older men and women who are being turned away from service under the Job Training Partnership Act.

Eligibility standards under the Job Training Partnership Act need to be liberalized and standardized nationwide.

We must not penalize older workers who, thanks to years of working, have built up modest but insufficient retirement incomes. I have spoken with many older worker program operators throughout the country and there is widespread agreement that the following changes should be made in older worker eligibility under the JTPA.

No. 1, the act should specify that older workers may be viewed as a family of one for the purpose of determining income eligibility.

No. 2, national guidelines should prescribe a disregard of title V wages and of social security income. Several States have already made these changes in a patchwork pattern.

And No. 3, income levels for eligibility should be raised to conform with those standards set by the title V program, 125 percent of the poverty level, making the two programs compatible.

This would greatly facilitate cooperation between the two often separate older worker employment networks. It should be noted that these changes will not cost a single penny, but will allow more people to be served and will make the program more equitable across the couotry.

The second recommendation concerns title III of the Job Training Partnership Act, the section designed to serve dislocated workers.

Older workers make up a high percentage of dislocated workers; those persons laid off due to plant closings or reductions in force.

In the past month alone, layoffs and plant closings affecting over 1,200 workers have been announced in the Rochester area, and this in a community known for the stability of its economic base. Title III should be viewed as a program strongly benefitting older workers, and funding levels for this program should be maintained, or even increased.

There is one other adjustment that I would recommend be made to the Job Training Partnership Act as it relates to older workers, and that is the allowance of limited tryout employment. This is a provision allowed for youth, limited to 250 hours, and limited to one time with an employer, unless that employer hires the person at the end of the training period.

This training mode could be very helpful to older workers. It has been tried in the title V section 502 experimental training programs, with great success, and I believe would add to the tools that can be used to assist older workers under the Job Training Partnership Act.

In summary, the Job Training Partnership Act has succeeded in spreading a national awareness of the employment needs of older workers. It has helped many men and women to return to work, contributing to society in many ways.

Yet many more men and women could be served if certain adjustments were made to the program: the adoption of uniform eligi-

bility standards for older workers, taking into consideration the barriers to employment faced by the older worker, and their unique status vis-a-vis pension and social security income; maintenance or increase of dollars allocated to the title III dislocated worker section of the Job Training Partnership Act, recognizing that this section benefits older workers, and, the allowance of tryout employment, limited to 250 hours for older workers as well as youth.

With the changes I have outlined, the Job Training Partnership Act, working in combination with the Older Americans Act, title V program, can provide strong support for the unemployed older workers of our country.

I thank you for your interest in this matter and for the opportunity to testify today.

[The prepared statement of Ms. Lewis follows:]

TESTIMONY OF

KATHERINE LEWIS, DIRECTOR

GROW (GAINING RESOURCES FOR OLDER WORKERS)

A PROGRAM OF THE REGIONAL COUNCIL ON AGING
177 North Clinton Avenue
ROCHESTER, NEW YORK 14604

BEFORE THE

UNITED STATES SENATE

COMMITTEE ON LABOR AND HUMAN RESOURCES

SUBCOMMITTEE ON AGING

February 5, 1986

HEARING ON PARTICIPATION OF OLDER WORKERS IN THE JOB TRAINING PARTNERSHIP ACT

I want to thank this Subcommittee and the Chair for the opportunity to testify at this hearing.

I'd like to begin by introducing you to Richard Ellsworth. A commercial artist since 1950, Mr. Ellsworth had been unemployed for over a year when he came to GROW at age 57. He had been laid off by his last employer due to a slowdown in work, and had been unable to find work in his field despite diligent efforts. His unemployment insurance had run out and he was nearly at the end of his resources. GROW located a young and expanding high-tech company that was willing to retrain Mr. Ellsworth as a detail draftsman, building on some drafting courses he had taken many years ago while serving in the Navy. GROW wrote a contract for On-the-Job Training and reimbursed the employer for half the wages paid to Mr. Ellsworth over a three and a half month training period. One year later, Mr. Ellsworth remains happily employed, making more money than he made as a commercial artist.

I do not mean to offer Mr. Ellsworth's story as typical of all older workers participating in the Job Training Partnership Act. Many participants come to us with low educational levels and lower skill levels. They are trained for and placed in entry level or close to entry level positions. Rather, Mr. Ellsworth represents

the possibilities present in using training programs for older workers.

Mr. Ellsworth is one of many men and women served by GROW, Gaining Resources for Older Workers. GROW is the employment program of the Regional Council on Aging, a non-profit community based organization in Rochester, New York. Last year GROW assisted over 1,000 unemployed older workers, age 45 and up, through a variety of programs. 255 were served under Job Training Partnership Act funding with 48 served under the Older Worker set-aside. 147 were served under the main block of adult and youth funds (Title IIA 78%); and 70 were served under the Title III Dislocated Worker Program. GROW also operates a Title V program under the sponsorship of the National Council on Aging and our State Office for Aging; a center for displaced homemakers; and a fee-based counseling and referral service. In existence over 13 years, we were one of only a few organizations across the country offering assistance to older workers under the CETA program.

One of the strengths of the Job Training Partnership Act is that, due to the 3% Older Worker set-aside, it has spread an awareness of the needs of older workers among employment and training professionals throughout the country. This awareness was once common only among operators of the Title V Senior Community Service Employment Program. Jobless older workers comprise a quiet minority. They don't hang out on street corners, drawing attention to their unemployed status. Quite the contrary, they are often reluctant to admit their need for assistance, even after many months of fruitless search for work.

While employment and training professionals in many communities are now cognizant of the employment needs of low-income older workers, understanding of how to assist them is not as widespread. Older job seekers still consider themselves to be workers, and do not see themselves as "senior citizens" and certainly not as "elderly". Programs using these labels are likely to fail. Low-income older job seekers do not turn out

in numbers for retraining programs. Their stated desire is rather for help in finding a job. This makes On-the-Job Training and Job Search Club programs more attractive to older workers than Classroom Training. Classroom Training, however, can be used successfully if some means of financial support is available during training, since few older workers will turn to public assistance programs during periods of unemployment. At GROW we will sometimes cross-enroll a JTPA participant in our Title V program in order to provide him or her with income while attending classroom training. This is one way the Title V program and the JTPA older worker programs can complement each others' efforts. New operators of older worker programs must be sensitized to the unique needs and characteristics of this population.

GROW has developed a flexible training model for older workers under the Job Training Partnership Act. Several other program operators throughout the nation have also developed successful older worker training models. These models are applicable in other communities; not merely through dissemination of written reports, but through training sessions such as one recently conducted by Region One of the United States Department of Labor for employment and training professionals from the New England states.

Under the GROW model, all participants, after an initial interview, enter into a 15-hour group Job Readiness Training Course. During this time the fundamentals of job seeking are covered as well as the realities of the local 1986 labor market. Many older workers have failed in their own job search due to an outdated view of employer hiring patterns dating back 20 or 30 years. At the conclusion of this week-long course, participants have formed realistic goals, and our staff develop an employability plan for each one. Three options are available, depending on the needs of the individual:

1) Immediate entry into an on-going job search club offering intensive assistance in seeking employment and referrals from GROW's job bank.

2) On-the-Job Training with local employers. GROW arranges positions to meet participant needs, and reimburses employers for 50 percent of the wage paid during training. Employers agree to keep the participant in their employ following the training.

3) Classroom Training in short term courses (160 - 300 hours) teaching new skills. GROW contracts with a variety of local training institutions to run courses for older workers. To date courses have been offered in Building Maintenance, Clerical Skills, Child Care (Institutional), Dental Assisting, Medical-Clerical, and Food Service. A Bookkeeping course is planned for spring. Completion of the course is followed by a job search club.

The training model utilized by GROW has been developed over some four years of experimentation. Many other communities have developed excellent training models. Other locales, especially rural areas, are still learning the ropes.

There are certain structural barriers within the Job Training Partnership Act, however, which make success more difficult for all older worker training programs. One major barrier concerns the question of income eligibility. Recognition at the national level needs to be given to the fact that, through years of working, many older workers have earned small pensions or Social Security payments. In some cases, instead of rewarding them for years of service, these small payments exclude them from entrance into training programs when they are unemployed.

Take the case of a woman who came to GROW earlier this week seeking help finding work. Her husband died in October. His income from Social Security and pension, up until his recent death, combined with her own Social Security income, put her over the Job Training Partnership Act guidelines for three months to come. Yet, CETA would have allowed her to be served under a provision that allowed programs to look at only the individual income of the over-55 applicants. Currently, if she lived in

one of the 29 states that have re-adopted this "family of one" rule for older workers under JTPA, she could be served. Or, if the older worker set-aside under JTPA had provisions for a 10% eligibility window to serve over-income persons facing additional barriers to employment, she could have been served. This "10% window" is contained in the major adult and youth sections of the JTPA, but not in the older worker set-aside program. There are currently too many needy older men and women who are being turned away from service under the Job Training Partnership Act.

Eligibility standards for older workers under JTPA need to be liberalized and standardized nationwide. We must not penalize older workers who, thanks to years of working, have built up a modest but insufficient retirement incomes. I have spoken with many older worker program operators throughout the country, and there is widespread agreement that the following changes should be made in older worker eligibility under the Job Training Partnership Act:

1) The Act should specify that older workers may be viewed as a family of one for the purpose of determining eligibility.

2) National Guidelines should prescribe a disregard of Title V wages and of Social Security income. (Several states have already made these changes in a patchwork pattern.)

3) Income levels for eligibility should be raised to conform with those standards set by the Title V Senior Community Service Employment Program -- 125% of poverty level, making the two programs compatable. This would greatly facilitate cooperation between the two often separate older worker employment networks.

It should be noted that these changes will not cost a single penny, but will allow more people to be served and will make the program more equitable across the country.

There are those who will say, in response to the question of raising income guidelines for older workers to 125 percent of poverty level, "Why should we do this for older workers and not for others?" There is validity to this argument. The jobless individual earning less than $6563 in the past year (125% of poverty level) can not afford to pay for the kind of training available under the Job Training Partnership Act. By setting guidelines at poverty level we are excluding a vast group of underemployed men and women. They are those who, making an effort to be self-supporting, have held dead-end minimum wage jobs, bringing in incomes insufficient to support themselves and their families. I believe the income guidelines under JTPA should be raised for all groups. That, however, is the subject for another hearing. Addressing the concerns of older workers, there is ample precedent for a higher eligibility level for older workers, set by the Title V program and by the allowance under CETA of considering an older worker a "family of one". There is also ample evidence through a wealth of studies that older workers suffer additional barriers in employment due to age. The average period of unemployment endured by persons over age 55 is weeks longer than that experienced by younger workers.

A second recommendation concerns Title III of the Job Training Partnership Act, the section designed to serve dislocated workers. Older workers make up a high percentage of dislocated workers; those persons laid off due to plant closings or reductions in force or the long-term unemployed from declining industries. Economic dislocation is one of the major problems facing the jobless older worker; one that is not decreasing in the current improved employment climate. In the past month alone, layoffs and plant closings affecting over 1200 workers in the Rochester area have been announced - and this in a community known for the stability of its economic base. Title III should be viewed as a program strongly benefitting older workers, and funding levels for this program should be maintained, or even increased.

There is one other adjustment that I would recommend be made to the Job Training Partnership Act as it relates to older workers. There is a provision in the Act (Section 205(d) (3) (B) which allows for limited Tryout employment for youth. This fully subsidized employment, limited to 250 hours, cannot be repeated with a position where the previous trainee was not hired. Quoting the Act, "Tryout employment positions shall be ones for which participants would not usually be hired (because of lack of experience or other barriers to employment)." Use of this training mode would be very helpful to older workers. Many older workers must switch to a completely different type of work in which they have no experience due to changes in the economy over their lifetime. Others, the displaced homemakers, have no recent work experience. In many cases, older workers face significant barriers to employment in the form of age discrimination. The Job Training Partnership Act should allow short-term Tryout Employment for older workers as well as for youth. Private sector work experience (similar to tryout employment) has been used successfully as a training mode under a small experimental program within the Title V Senior Community Service Employment Program. I believe it should be allowed as a training option for older workers under the Job Training Partnership Act.

In summary, the Job Training Partnership Act has succeeded in spreading a nationwide awareness of the special employment needs of older workers. It has helped many men and women such as Richard Ellsworth to return to work contributing to society in many ways. Yet many more men and women could be served if certain adjustments were made to the program:

1) Adoption of uniform eligibility standards for older workers taking into consideration the barriers to employment faced by older workers and their unique status vis a vis pension and social security income.

- o Provide for language in the Act allowing for persons over age 55 to be considered a "family of one".
- o Standardize Social Security and Title V wages as disallowed income for the older worker.
- o Raise income eligibility to a level compatable with the Title V program (125% of poverty level).

2) Maintenance or increase of dollars allocated to the Title III (Dislocated Worker) section of the Job Training Partnership Act, recognizing that this section benefits older workers.

3) Allowance of Tryout Employment (limited to 250 hours) for older workers as well as for youth.

With the changes I have just outlined, the Job Training Partnership Act working in combination with the Older Americans Act Title V Program can provide strong support for the unemployed older workers of our country. I thank you for your interest in this matter and for the opportunity to testify.

Senator GRASSLEY. Thank you very much. My first question deals with the problem of Outreach, which I have been told has been one of the biggest problems, or set of problems.

Maybe I am drawing a conclusion I should not draw, but I would like to ask, what has been your biggest concern with Outreach and how are you dealing with it and have you noticed any improvements in Outreach during the time that you have been operating your programs?

I guess I will start with you, Mr. Kiley.

Mr. KILEY. Thank you, Senator. One of the steps that we took which helped us quite a bit with Outreach was to contract for 3 percent set-aside programs with the local Area Agency on Aging, which not only helped us on the service end of things, because they provide a number of other services to older individuals, but also helped us to do the outreach that was needed, to make people aware of the programs.

The other thing that helped us quite a bit was housing the staff for that program in the local job service offices, where a large number of the job seekers in the area still go to receive assistance in finding employment. And so that has made for a better net, or a better door for our program, to find more people and to get them into the program. The problem we have encountered though is that because of the eligibility requirements, we have to turn many of those individuals away, or, else help them with other programs which the staff are allowed to work with; the title V program, and a State-funded program called RICEP.

Senator GRASSLEY. Has there been some progress made in Outreach?

Mr. KILEY. I think we have done quite a bit better in terms of getting people to come in, but the problem is still, once they have come into our offices, they are discouraged by the eligibility requirements that they cannot meet.

Senator GRASSLEY. I do not know whether everybody has to answer, but if you have got something to contribute, I want you to. Mr. Massey.

Mr. MASSEY. We started with some of the traditional Outreach approaches, Mr. Kiley has mentioned a number of those. We found that television commercials have had the biggest impact on our Outreach Program, and there is just no comparision with any other type of outreach that we have used. We did a program with an adjacent Area Agency on Aging, because the media covered this same general area, and it was successful for both programs. We did public service as well as paid commercials.

Mr. OLSON. Outreach is I am sure assisted by our tenure in the community. You need visibility and you need credibility, and I think that that is also developing for JTPA, we use the support system of both program in South Dakota.

It is a program requirement that every enrollee is registered at the job service office, for instance, it being only one example of standard practices necessary to reach out and recruit successfully.

Senator GRASSLEY. Ms. Lewis.

Ms. LEWIS. Mr. Chairman, in my opinion the question of Outreach is inseparable from the question of eligibility. We do have an active Outreach Program at GROW with television public service

announcements, radio, direct mail campaigns, and frequent press articles, and we have many, many older workers coming in.

In the title V program that we run, we have no outreach and recruitment problem. In the title III JTPA program that we run, which does not have an income limit on it, we have more older workers coming in than we are possibly able to serve. Yet, in our title IIA programs, with the very rigid income guidelines, we have trouble finding enough people who are income-eligible for those programs.

When we were operating programs under CETA, with the family of one provision, again, we had no outreach problem. So I believe that the two questions are integrally tied.

Senator GRASSLEY. Senator Matsunaga.

Senator MATSUNAGA. Thank you, Mr. Chairman. Before I ask my questions I would like to welcome to the panel, and before the subcommittee, Congressman, or should I say former Congressman, Alec Olson with whom I served in the House. It is nice to see you, Alec.

Mr. OLSON. Thank you very much. I did not have as long a tenure as I would have liked, but the time I spent in the Congress helped me see problems from that side and it has been one of the more helpful, probably the most helpful, background assisting my activities since I left the Congress.

Senator MATSUNAGA. I am glad to hear that because as one fast apprcaching that time when I will probably need JTPA, I am glad that experience within will help without.

Now, one of the strongest criticisms launched against JTPA is that the income eligibility standards for the JTPA 3-percent set-aside program for needy older workers was so low, that the older worker might find it easier to apply for food stamps, subsidized housing, and other forms of public assistance, instead of seeking job training and placement.

Now in your experience—of each of you—did you find this to be true among the elders you dealt with? We can start from this end, right down.

Mr. KILEY. In talking with the older worker specialists that work directly with applicants for the program, they mentioned a couple of examples, but in general, they said that the people they dealt with were not willing to give up food stamps, and rent subsidies, and they preferred to work in what is known sometimes as the underground economy, rather than apply for JTPA. They mentioned one specific person who they referred to as the "privy queen," who is a former Las Vegas dealer, card dealer, and she said that she would "rather clean toilets" than try to get onto the Job Training Partnership Program, just because of the difficulties involved, and because she would lose eligibility for some of the other programs of JTPA.

I do not know if her particular story is indicative for the whole program and the population that we are trying to serve, but it is a problem for many people.

Mr. OLSON. Speaking only to title V, the problem becomes evident more in our trying to place in unsubsidized employment the enrollee, after they are enrolled in title V.

Most often the concern of our older enrollees is loss of medical benefits if they seek an unsubsidized job, and the income would cause them to lose health benefits.

Mr. MASSEY. We have found the income requirement to be a disincentive for enrollment in the program.

Senator MATSUNAGA. Ms. Lewis.

Ms. LEWIS. Senator Matsunaga, there are a number of older persons who are reluctant to go into job training because of a fear of losing benefits.

There are a larger number of older persons who are eligible for public assistance benefits, who will not apply for them because of a value system that precludes that.

But I would say that the bigger problem than either of those two things is the number of people who are turned away, who would like to receive job training assistance because they fall just a hair, or two or three hairs, above the eligibility guidelines laid down by the Job Training Partnership Act.

Senator MATSUNAGA. Thank you very much. Now, Ms. Lewis, in your prepared statement you observed that older workers suffer additional barriers to employment due to age.

Now, Federal statistics also show that the number of age discrimination complaints filed with the Equal Employment Opportunity Commission is in fact increasing.

Now do you believe that the JTPA 3-percent set-aside program for older workers sufficiently addresses the question of age discrimination in employment?

Ms. LEWIS. That question is indirectly addressed, I believe, in that you have people out in various communities talking to employers about hiring older workers, and giving some incentives through on-the-job training to businesses to hire older workers.

Indirectly, it is addressed. It is a "drop in the bucket," I would say, though, compared to the extent of the problem of age discrimination that we are seeing.

Senator MATSUNAGA. Does your organization address the question of discrimination in employment in its programs for older workers?

Ms. LEWIS. Yes. We have active communication with businesses in our community. We hold seminars and meetings for businesses talking about the advantages of hiring the older worker, and we encourage those who we feel have encountered age discrimination to file complaints under the Age Discrimination in Employment Act.

Senator MATSUNAGA. Mr. Massey, what has been your experience in this regard?

Mr. MASSEY. We have not experienced a great deal of difficulty in this particular area, and I think it is because the majority of the people we have worked with have been in relatively unskilled positions, and the area that I come from has a very low unemployment rate, something around 4 percent. These types of jobs are available and employees are willing to take the older worker.

Senator MATSUNAGA. Congressman Olson.

Mr. OLSON. Senator Matsunaga, our experience is that most of our jobs come from small employers.

Large employers are often engaged in efforts to reduce work force by encouraging early retirement. We find that the opportunities for unsubsidized placement, it is not so much discrimination; it is the complexity of how businesses address reduction in staff, you pick up the papers every day, and what is happening, Mr. Chairman, is that they are saying, "Hey, retire early with this inducement," and when we ask them then if they will hire that older worker, they say, "Oh, gosh, we're not in a hiring mode, and if we were"—they're saying to themselves—"we'd better be careful."

Senator MATSUNAGA. Mr. Kiley.

Mr. KILEY. The Area Agency on Aging in our area conducted part of its marketing campaign to attack that age discrimination problem.

One of the things they did was put together some posters and bumper stickers that said "55 is the speed limit, not the age limit," and conducted a number of seminars for businesses on some of the advantages of hiring older workers, and tried to dispel some of the myths which prevail in our society about older workers, in terms of their use of sick leave and their slowness in terms of getting jobs done.

A number of these myths have been proven by studies to be incorrect. We try to focus on those things in our seminars for businesses. And that has seemed to help.

Senator MATSUNAGA. Thank you very much. Now, Mr. Massey, I have noted that—and I agree with you—that Area Agencies on Aging, as you testified, should be more fully involved in the administration of the 3-percent set-aside program for older workers, especially when it comes to providing supportive services such as transportation.

Now, I was also interested in your comments regarding the reservation of 70 percent of the funds under this program for training, and I believe that one of the early witnesses, in reading testimonies, stated that many of the older workers in the program had been employed up until a short time before entering the program and were not in need of extensive training, or retraining.

Is that your view and is this why you suggest the 45 percent?

Mr. MASSEY. Yes, sir. That is my view and that is why I suggest that level. This, of course, would not preclude the participant support funds from flowing back into training needs, if that were the case. That is the current system, I believe.

If someone needs the 70 percent to do training, fine; it is just that in some areas we feel we need more flexibility, to provide other services.

Senator MATSUNAGA. Now if you think that older workers are in need of training much of the time, now, what solution would you suggest for those who cannot afford it? Maybe a stipend during their training period?

Mr. MASSEY. That would certainly ease the burden, if we were able to provide some type of stipend.

Senator MATSUNAGA. Thank you very much.

Senator GRASSLEY. Thank you, Senator Matsunaga. I want to follow up on something that Kathy has mentioned, and so I am asking the entire panel this question.

She mentioned a number of impediments to the success of the Older Americans Training Program having to do with eligibility.

I think some of the things that she suggested to eliminate those barriers could be instituted by the States; for example, allowing an older individual to be considered as a family of one.

Is it the consensus of the members of the panel, that we should institute these changes at the national level through amendments to the legislation? Hopefully, a simple yes or no.

Mr. MASSEY. [Nods head.]

Senator GRASSLEY. Mr. Massey yes. Mr. Olson.

Mr. OLSON. Yes.

Senator GRASSLEY. Mr. Kiley.

Mr. KILEY. Yes; I would support that position, too.

Senator GRASSLEY. OK. And Ms. Lewis.

Ms. LEWIS. [Nods head.]

Senator GRASSLEY. I think since the hour has come for another meeting that I have, if I do have questions that have not already been asked by Senator Matsunaga while I was absent briefly, I will submit them to you in writing.

I want to thank you very much. I do think that today's testimony has been a valuable experience for us all, and it will be this record that we will review as a subcommittee, along with consulting Senator Quayle, who is the author of the legislation, to determine whether or not changes need to be made, and if so, whether they need to be done at the national level through legislation, or through regulations, or whether there just ought to be more encouragement to the States.

So, I thank you all very much for your participation, and the meeting is adjourned.

[Whereupon, at 11:56 a.m., the hearing was adjourned, subject to the call of the Chair.]

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